

## FRANCHISE DISCLOSURE DOCUMENT

**PINK ZEBRA MOVING, LLC**  
An Alabama Limited Liability Company  
505 20th Street North, Suite 1010  
Birmingham, Alabama 35203  
Telephone: 205-203-4881  
[www.pinkzebrafranchise.com](http://www.pinkzebrafranchise.com)  
[ron@pinkzebramoving.com](mailto:ron@pinkzebramoving.com)

# **PINK ZEBRA MOVING®**

We are offering franchises for the operation of a local moving business under our name **Pink Zebra Moving®** in designated territories with a focus on professional moving and packing services.

The total investment necessary to begin operation of a single Pink Zebra Moving® franchise ranges from ~~\$140,007,145,414~~ to ~~\$197,497,203,817~~, which includes ~~\$53,605,58,200~~ to ~~\$68,975,73,200~~ that must be paid to the franchisor or its affiliate. We also offer qualified parties the right to enter into multiple franchise agreements for adjoining territories at the same time for the operation of multiple Pink Zebra Moving businesses.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Pink Zebra Moving, LLC, 505 20<sup>th</sup> Street North, Suite 1010, Birmingham, AL 35203, 205-203-4881.

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 contracts 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 (“**FTC**”). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS:

April 30, 2024 As Amended June 24, 2024~~April 24, 2023~~

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About This Franchise

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

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Alabama. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Alabama than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your ability to make the payments may result in termination of your franchise and loss of your investment.
3. **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.
4. **Unopened Franchises:** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your outlet.

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

**THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISES WHO ARE RESIDENTS OF  
MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**  
**NOTICE REQUIRED BY STATE OF MICHIGAN**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provision is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release assignment, notation, waiver, or estoppels which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from setting any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under the trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months advance notice of the franchisor's intent to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside the state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for a good cause. This subdivision does not prevent a franchisor from exercising a right to first refusal to purchase the franchise. Good cause shall include, but not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualification or standards.

- (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

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(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely ~~identifies~~identified with the franchisor. This subdivision does not permit a provision that grants to a franchisor a right of refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants 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 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.**

The name and address of the Franchisor's agent in this state authorized to receive service or process is:

Michigan Department of Commerce, Corporations, Securities & Commercial Licensing Bureau  
2407 N. Grand River Ave.  
Lansing, Michigan 48906

Any questions regarding this notice should be directed to:

Michigan Department of Attorney General  
Consumer Protection Division  
Mennen Williams Building  
525 West Ottawa Street  
Lansing, Michigan 48933  
(517) 335-~~76227567~~

**PINK ZEBRA MOVING, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**

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## ITEM 1

### **THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language, this Disclosure Document uses “Pink Zebra Moving,” “we” and “us” or “our” to mean Pink Zebra Moving, LLC, the franchisor. “You” and “your” means the individual or business entity who buys the franchise. “You” also includes the franchise owners, partners or members, shareholders, officers and directors of the business entity.

#### The Franchisor, Any Parents, Predecessors and Affiliates

Our principal business address is 505<sup>2</sup>0th Street North, Suite 1010, Birmingham, AL 35203. We are an Alabama Limited Liability Company which was formed August 14, ~~2020~~2020, to initiate the Pink Zebra Moving program. ~~We have one company location, in Birmingham, Alabama which is similar to the franchises being offered.~~ We began offering franchises April 15, ~~2022~~2022, and have not previously offered franchises nor have we offered franchises in any other line of business. We have no ~~parent~~parents, predecessors nor affiliates.

#### Agent for Service of Process

Our Agents for Service of Process are set forth in Exhibit “E” of the disclosure document.

#### The Franchise Offered

We offer you a franchise to own and operate one local moving and packing franchise business with the primary goal of providing consistent, timely professional moving and packing services emphasizing a positive customer experience.

We invite our franchisees to share in the opportunity of establishing and operating a franchise business at a single defined location within a specific territory using our trademark, service marks, trade names, logo and other commercial symbols, printed ~~materials~~materials, and methods of operation under a Franchise Agreement you sign with us and an Operation’s Manual that sets forth our system standards.

We also offer qualified applicants an opportunity to convert their existing local moving business to a Pink Zebra Moving franchise business. The conversion franchise differs from our standard franchise business because the initial franchise fee is discounted. The conversion franchise fee is set out in Item 5 of this disclosure document.

In select markets we offer qualified applicants an opportunity to acquire two to five franchises for adjoining territories, provided the franchise agreements are entered into at the same time. The initial franchise fee for the second franchise is fifteen thousand dollars (\$15,000), and for the third, fourth and fifth franchise the initial franchise fee for each is ten thousand dollars (\$10,000).

#### The Franchise System and Proprietary Marks

Our franchises are characterized by, among other things, distinct ~~standards~~standards, and specifications for serving the public using products, supplies, uniform standards, specifications and

procedures for operations, training and assistance (the “System”). The System is identified by means of certain trade names, trademarks, service marks, logos emblems and other indicia of origin, including the Mark “Pink Zebra Moving” which we require you to use in connection with the System (collectively, the “Proprietary Marks”).

### Market Competition

The market for local moving services is well established. Additional growth may be expected from increased home sales activity along with an increase in new home construction. Competition includes nationally franchised and local moving businesses. Your competitive advantage in the marketplace will be based on your adherence to our System standards and guidelines, as well as your entrepreneurial and managerial abilities and focus on the customer experience, in the operation of your Pink Zebra Moving business.

### Industry Specific Regulations

Moving companies are regulated by federal and state law. State laws can vary significantly from state to state. The U.S. Department of Transportation’s Federal Motor Carrier Safety Administration administers federal laws. Most states have consumer protection laws which cover moving companies and services and in the case of interstate commerce, federal regulations dictate specific terms under which a moving company can operate. Consumer Protection Regulations deal with interstate commerce and govern estimates, inventory, packaging, ~~loading~~loading, and unloading at personal residences. The National Highway Traffic Safety Administration also regulates the safety of motor vehicles and related equipment. You will be responsible for contacting your local and state governmental agencies regarding restrictions on the operation of the Franchised Business and for complying with any federal, state or local laws and regulations which may impact your franchise business within a specific area or territory of your state.

## **ITEM 2**

### **BUSINESS EXPERIENCE**

#### Ron Holt: Chief Executive Officer

Mr. Holt is our Founder. He formed our company October 20, 2020, and was the active President until March 2022. From August 2013 to September 2021, Ron served as Chief Executive Officer of Two Maids Franchising, LLC. From 2003 through 2015, Ron also served as President of Holt Services Corporation, which operated affiliate Two Maids & A Mop locations in Pensacola, Florida; Fort Walton Beach, FL; Panama City Beach, FL. He also served as President of Two Maids of the Southeast, Inc. from 2009 through 2015 which had affiliate locations in Birmingham, Alabama; Huntsville, Alabama; Montgomery, Alabama; and Knoxville, Tennessee.

#### Lauren Bowen: President

Mrs. Bowen joined our company March 12, ~~2022~~2022, as President. From December 13, ~~2021~~2021, through March 11, ~~2022~~2022, she was the Associate Director with Mspark, Inc. in Birmingham, Alabama. From March 2019 through ~~December 2021~~December 2021, she served as

Director of Franchise Operations for Two Maids Franchising, LLC located in Birmingham, Alabama and was the Franchise Operations Assistant for Two Maids Franchising, LLC from April 2018 to March 2019. From November 2016 through March 2018 Lauren worked for Saint Clair Alabama County Judge's Office.

Cole Latham: Director of Finance

~~Mr. Latham joined our company June 13, 2022, as Director of Finance. From December 2019 through March 2022, he worked as Controller at Superior Legal Marketing, LLC in Birmingham, AL. Prior to his position as Controller, Mr. Latham worked as a Staff Accountant at Cory Watson Attorneys, P.C. from September 2014 through December 2019.~~

Jim McDaniel: Moving Industry Expert

Mr. McDaniel joined our company on August 29, 2022. Mr. McDaniel began working in the moving industry in 2001. From March 2020 to July 2022, Mr. McDaniel was the Manager at Amazing Movers. He served as Vice President of Liberty Moving from April 2016 through March 2020. Prior to this, Mr. McDaniel owned and operated Pro-Move from September 2007 through April 2016.

**ITEM 3**

**LITIGATION**

No litigation is required to be disclosed in this disclosure document.

**ITEM 4**

**BANKRUPTCY**

No bankruptcy information is required to be disclosed in this disclosure document.

**ITEM 5**

**INITIAL FEES**

Initial Franchise Fee

The nonrefundable Initial Franchise Fee for one franchise is thirty thousand dollars (\$30,000) which must be paid to us upon signing your franchise agreement. The minimum size of a territory is three hundred thousand (300,000) 2023 census total population. The maximum territory size is six hundred thousand (600,000) total 2023 census population. You are also required to pay the Territory Development Fee.

Territory Development Fee

The Territory Development Fee is paid to us at the same time as your initial franchise fee and is fully earned and nonrefundable at the time you enter into your Franchise Agreement. The amount of the Territory Development Fee is based upon the size of your franchise territory and determined by multiplying the number of people in your territory by five cents (\$0.05). We use the

~~2023~~2022 U.S. Census to determine the number of people in a territory.

[ See Chart on following page. ]

Territory Development Fee		
	Size of Territory	Territory Development Fee
Minimum Size	300,000 People x \$0.05	\$15,000
	400,000 People x \$0.05	\$20,000
	500,000 People x \$0.05	\$25,000
Maximum Size	600,000 People x \$0.05	\$30,000

#### Simultaneous Purchase of Adjoining Multiple Territories (Multi-Territory Offering)

In our sole discretion and if we consider you to have sufficient business experience and financial ~~qualifications~~ qualifications, we may offer you the opportunity in select ~~markets,~~ markets to acquire multiple territories which are adjoining and contiguous to each other. The acquisition of multiple territories requires the purchase of at least two territories but no more than five territories, all of which must be purchased simultaneously. The initial franchise fee for the second territory is fifteen thousand dollars (\$15,000) and for the third (3<sup>rd</sup>), fourth (4<sup>th</sup>) and fifth (5<sup>th</sup>) territory, the initial franchise fee is ten thousand dollars (\$10,000) per territory. You must sign a franchise agreement and pay the initial franchise fee at the time of signing each franchise agreement which must be at the time your first (1<sup>st</sup>) franchise agreement is signed.

#### Preliminary Approval Agreement

If you enter into a Preliminary Approval Agreement with us before you sign a Franchise Agreement, you must pay a franchise reservation fee of five thousand dollars (\$5,000) for a single territory at the time you sign the Preliminary Approval Agreement. The Preliminary Approval Agreement fee is nonrefundable. If you enter into a Franchise Agreement with us, the fee will be applied to the initial franchise fee due under the Franchise Agreement. If the Preliminary Approval Agreement expires or terminates for any reason other than the signing of a Franchise Agreement and payment of the balance of the Initial Franchise Fee (twenty-five thousand dollars (\$25,000) balance due), you will forfeit the franchise reservation fee of five thousand dollars (\$5,000) and we will retain this fee. The franchise reservation fee of five thousand dollars (\$5,000) and Preliminary Approval Agreement is non assignable to any party other than the party signing the Preliminary Approval Agreement.

#### Uniforms

You will purchase from us or an approved vendor at the commencement of your business a minimum of twelve (12) crew member shirts in both pink and black, five (5) crew member hats, one

branch manager pink polo shirt and one branch manager black polo shirt, currently priced at two hundred and sixty-seven dollars (\$267). ~~four hundred and five dollars (\$405).~~

#### Telephone Communications Fee

You will pay us seven hundred dollars (\$700) upon signing the Franchise Agreement. This cost covers one (1) month (one hundred seventy-five dollars (\$175) per month) prior to opening and three (3) months after opening. You will pay a monthly fee as described in Item 6, for your e-mail address, phone line and phone system.

#### Website Development and Search Engine Optimization (SEO) Fee

You will pay us seven thousand and five hundred dollars (\$7,500) upon signing the Franchise Agreement. This cost covers one (1) website and twelve (12) months of SEO. These services will be provided by a third-party vendor.

#### Pre-open Marketing Kit and Year One Local Market Awareness Campaign

You will pay us five thousand dollars (\$5,000) upon signing the Franchise Agreement. This cost covers one (1) pre-open marketing kit, including print and promotional materials, and a twelve (12) month Meta Local Market Awareness Campaign. These services will be provided by third-party vendors.

#### Conversion Discount

In our sole discretion, we may offer a franchise to persons desiring to convert their existing moving business to a Pink Zebra Moving franchise. The territory development fee for a conversion franchise is discounted and is equal to our then-current territory development fee for the size of the territory approved by us and listed above, reduced by an amount equal to ten percent (10%) of your total gross revenue for the previous year of your moving business, but in no event will the discount exceed ten thousand dollars (\$10,000). For example, if the territory development fee for the territory is twenty-five thousand dollars (\$25,000) and your existing moving business generated two hundred thousand dollars (\$200,000) in gross revenue during the previous year, the territory development fee will be reduced by ten thousand dollars (\$10,000), making your territory development fee fifteen thousand dollars (\$15,000). We may also waive our territory development fee for affiliate locations which sell the existing operation to a third party approved by us and who enter into a Franchise Agreement.

All Initial Franchise fees and Territory Development Fees are payable in a lump sum, are uniform, non-refundable, fully earned upon receipt and will be used for our general operating expenses, including costs of fulfilling our obligations to you. There are other fees you pay to us or any affiliate before you begin operating your business.

[ Remainder of page intentionally left blank. ]

**ITEM 6**

**OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Continuing License Fee (1)	7% of Gross Revenue for the first 1.5 million dollars; then 6% of Gross Revenue from 1.5 million to 3 million dollars; then 5% of Gross Revenue over 3 million dollars. (See Note 1 – <u>Minimum Amount Due</u> )	A Semi-monthly Report is due on or before the 5 <sup>th</sup> and 20 <sup>th</sup> day (or next business day) of each month. The Continuing License Fee payable on or before the 5 <sup>th</sup> is calculated by Gross Revenue received from the 16 <sup>th</sup> day of the previous calendar month to the last day of such month and the fee payable the 20 <sup>th</sup> is calculated on Gross Revenue generated from the 1 <sup>st</sup> through 15 <sup>th</sup> of the current month. Your semi-monthly Continuing License Fee will be debited by Electronic Funds Transfer (“EFT”) from your bank account.	(See Note 1 - definition of “ <u>Gross Revenue</u> ”.)  A fee of \$100 per occurrence of insufficient EFT will be charged.
Marketing and Advertising Fund Fee (2)	1% of Gross Revenue	Your semi-monthly Marketing and Advertising Fund fee will be electronically debited by EFT from your bank account on the same date and same terms as your Continuing License Fee.	Paid to Franchisor.

Type of Fee	Amount	Due Date	Remarks
Local Marketing Services Fee (3)	During the first four (4) months of operation, you must spend the greater of \$2,500 or \$0.025 times the number of <del>2022 census</del> <u>2023 census</u> total population divided by 12. After the first 4 months you must spend the greater of \$1,500 or \$0.025 times the number of <del>2022 census</del> <u>2023 census</u> population divided by 12. Each month you will also pay the vendor's administrative charge, which is currently \$1,500.	As Incurred.	We currently use a third party vendor to execute the Local Marketing Services Program. This fee is currently collected by us.
Scheduling Software Service Fee (4)	Currently <del>\$399</del> <u>\$399</u> per month <u>for the 1<sup>st</sup> two (2) vehicles</u> but may be increased if at <u>anytime any time</u> the supplier increases the fee <u>or more vehicles are added to the operation.</u>	Your Scheduling Software Service Fee will be electronically debited by EFT from your bank account on the first business day of each month.	Third party vendor collected by us. (See Note 4 for multiple territories.)
National Sales Center Fee (5)	\$0 for the first <del>six</del> <u>three (36)</u> months after you have completed your Field Training <u>plus up to forty dollars (\$40) per conversion,</u> and \$399 per month <u>plus up to forty dollars (\$40) per conversion</u> beginning on the <del>seventh-fourth</del> <u>(74<sup>th</sup>)</u> month after you have completed your Field	Your monthly National Sales Center fee will be electronically debited by EFT from your bank account on the first business day of each month.	Paid to Franchisor. (See Note 5 for multiple territories.)

Type of Fee	Amount	Due Date	Remarks
	Training. Fee subject to annual increase.		
Insurance Reimbursement (6)	Amount paid by us for insurance you fail to obtain, plus a 15% administrative fee.	As Incurred if purchased by us on your behalf. Due upon billing.	Paid to third party. If you fail to maintain the required insurance coverage on your Franchise, we may acquire and pay for insurance coverage and charge you.
Transfer Fee (7)	40% of Franchisor's then-current Initial Franchise Fee per Protected Territory that is being transferred.	Prior to consummation of transfer.	You pay this fee to us if you transfer your business. The Transfer Fee described in Section 14 of the Franchise Agreement includes Franchisor's expense for training, supervision, marketing, selling, administrative, legal, accounting costs and other expenses for the transfer of the franchise.
Audit Fee (8)	Actual costs of audit.	Due when billed following any such audit.	You pay this fee only if the audit reflects an understatement of 2% or more for any month.
National Conference (9)	Currently \$1,000 plus travel and living expenses of approximately \$1,000 to \$2,000. If you own more than one (1) Territory, the National Conference Fee for the second territory is reduced to \$500 and for the third – fifth territory the additional fee is \$250 for each territory. You are limited to no more than two people per	A National Conference will be held annually at our company headquarters in Birmingham, AL or at a different location of our choosing. The National Conference will not exceed 5 days in length.	Fee is payable at least 60 days prior to attendance at the event and expenses are paid as incurred. We reserve the right to adjust every year; but will not exceed \$150 in additional fees annually.

Type of Fee	Amount	Due Date	Remarks
	territory. Additional people attending the National Conference will incur a \$500 fee. You will pay us \$2,000 per territory for failure to attend the National Conference.		
Additional Training Requested By You (10)	Currently \$500 per day, plus travel and expenses.-	Immediately after notice from us.	If, at your request, we send one of our staff members to the Franchised Business to provide further assistance, we will charge you a daily rate for that assistance, plus the travel expenses for our employee.
Successor Fee (11)	5% of then-current Initial Franchise Fee per Protected Territory.	Before you renew your franchise.	You only pay this fee to us if you want to renew your franchise.
Costs and Attorneys' Fees (12)	Will vary under the circumstances.	Immediately upon notice from us.	You only pay if we succeed in any arbitration or litigation we bring against you, or in defending any claim you bring against us.
Telephone / Communications Fee (13)	\$175 per month	Monthly	Paid to Franchisor
Indemnification (14)	Actual costs of Indemnification.	Upon receipt of bill.	You have to reimburse us if we are sued or held liable for claims arising out of your business.
Late Payment Charges (15)	10% of the amount due.	Immediately upon notice from us.	You only pay this fee if you are late in paying any other fees you owe us.

Type of Fee	Amount	Due Date	Remarks
Failure to Comply with Employee Uniform and Compliance Requirements Fee (16)	\$200 per violation	Immediately upon notice from us.	You only pay this fee if you fail to comply.
Review and Approval of Supplier (17)	Our cost to evaluate the proposed supplier. We currently charge \$40 per hour.	On submission by you of supplier for review.	Payable only if you submit a proposed supplier. Applies to new suppliers you wish to purchase from or products you wish to purchase that we have not previously approved.
Paper Manual Fee (18)	\$50 per copy	As needed.	As needed.
CRM Fee (19)	Currently \$0 but may be implemented <del>on</del> upon a thirty (30) day notice. The additional cost is expected to be \$100 per month.	At the time of implementation your CRM Fee will be electronically debited by EFT from your bank account on the first business day of each month.	Third party vendor collected by us. (See Note 19)
Failure to Comply with Vehicle Safety and Appearance (20)	\$1,000 / day / vehicle.	Immediately upon notice from us.	You only pay this fee if you fail to comply.
<u>Failure to Comply with Branch Manager Certification (21)</u>	<u>\$100 / day / until Branch Manager training program has been successfully completed.</u>	<u>Thirty (30) days from the Branch Managers first (1<sup>st</sup>) day of employment.</u>	<u>You only pay this fee if you fail to comply.</u>
<u>Abandonment or Failure to Operate the Business for two (2) or more consecutive business days (22)</u>	<u>\$250 / day / until operations commence.</u>	<u>Immediately upon notice from us.</u>	<u>You only pay this fee if you abandon or fail to operate the business and we notify you to cure the default and have not terminated your Franchise Agreement.</u>

Type of Fee	Amount	Due Date	Remarks
<u>Violation of any health, safety, or sanitation law, ordinance or regulation resulting in Loss of Applicable State or Federal Operating Authority for a period of more than five (5) days (23)</u>	<u>\$500 / day / until Operating Authority has been restored.</u>	<u>Five (5) days after written notice from us.</u>	<u>You only pay this fee if your violation results in loss of State or Federal Operating Authority and we have not terminated your Franchise Agreement.</u>
<u>Failure to submit when due reports or other data, information or supporting records, or to pay when due any amounts due to us or otherwise to comply with the Franchise Agreement on two (2) or more occasions within any period of twelve (12) months (24)</u>	<u>\$1,000 / occurrence.</u>	<u>Immediately upon notice from us.</u>	<u>You only pay this fee if you fail to comply.</u>

All fees that are imposed by and payable to us are uniform, subject to change, and are nonrefundable.

Notes to Above Chart:

- (1) Continuing License Fee. You must pay us a Continuing License Fee of seven percent (7%) of Gross Revenue for the first one and half million dollars (\$1,500,000) in any year. For Gross Revenue exceeding one and half million dollars (\$1,500,000) during any year, you must pay six percent (6%) of Gross Revenue from one and half million dollars (\$1,500,000) to three million dollars (\$3,000,000), then five percent (5%) Gross Revenue over three million dollars (\$3,000,000).

“Gross Revenue” means the aggregate of all billings whether collected or not, including cash sales and sales on account, monies billed for local moving or packing services

whether performed by franchisee or subcontracted, monies billed in connection with trade or barter agreements, or monies billed for any other maintenance of any structure, interior or exterior, including without limitation, all proceeds from any business interruption insurance, but excluding (a) all refunds made in good faith, (b) any sales and equivalent taxes that are collected by franchisee for or on behalf of and paid to any governmental taxing authority, and any rebate received by franchisee from a manufacturer or supplier.

Minimum Continuing License Fee. After the first 12 months, you must pay a Minimum Continuing License Fee equal to the amount in the Chart below. The Minimum Continuing License Fee shall be assessed on a Quarterly Basis. First (1<sup>st</sup>) Quarter shall begin on January 1<sup>st</sup> and end on March 31<sup>st</sup> of the relevant calendar year. Second (2<sup>nd</sup>) Quarter shall begin on April 1<sup>st</sup> and end on June 30<sup>th</sup> of the relevant calendar year. Third (3<sup>rd</sup>) Quarter shall begin on July 1<sup>st</sup> and end on September 30<sup>th</sup> of the relevant calendar year, and Forth (4<sup>th</sup>) Quarter shall begin on October 1<sup>st</sup> and end on December 31<sup>st</sup> of the relevant calendar year. Sales from the first (1<sup>st</sup>) day through the final day of each Quarter shall be reviewed on the third (3<sup>rd</sup>) day of the succeeding Quarter and deficiencies are payable on the fifth (5<sup>th</sup>) day of that month.; ~~for each reporting period first (1<sup>st</sup>) through the fifteenth (15<sup>th</sup>) of each calendar month and the sixteenth (16<sup>th</sup>) through the end of each calendar month.~~

**Minimum Continuing License Fee**

<u>Quarters</u>	<u>One Territory</u>	<u>Two Territories</u>	<u>Three Territories</u>	<u>Four Territories</u>	<u>Five Territories</u>
<u>Year One</u>					
<u>January 1<sup>st</sup> – March 31<sup>st</sup></u>	<u>a) \$0.00</u>	<u>a) \$0.00</u>	<u>a) \$0.00</u>	<u>a) \$0.00</u>	<u>a) \$0.00</u>
<u>April 1<sup>st</sup> – June 30<sup>th</sup></u>	<u>b) \$0.00</u>	<u>b) \$0.00</u>	<u>b) \$0.00</u>	<u>b) \$0.00</u>	<u>b) \$0.00</u>
<u>July 1<sup>st</sup> – September 30<sup>th</sup></u>	<u>c) \$0.00</u>	<u>c) \$0.00</u>	<u>c) \$0.00</u>	<u>c) \$0.00</u>	<u>c) \$0.00</u>
<u>October 1<sup>st</sup> – December 31<sup>st</sup></u>	<u>d) \$0.00</u>	<u>d) \$0.00</u>	<u>d) \$0.00</u>	<u>d) \$0.00</u>	<u>d) \$0.00</u>
<u>Year Two and each month thereafter</u>					
<u>January 1<sup>st</sup> – March 31<sup>st</sup></u>	<u>a) \$3,150</u>	<u>a) \$3,938</u>	<u>a) \$4,921</u>	<u>a) \$ 6,152</u>	<u>a) \$ 7,690</u>
<u>April 1<sup>st</sup> – June 30<sup>th</sup></u>	<u>b) \$6,300</u>	<u>b) \$7,875</u>	<u>b) \$9,844</u>	<u>b) \$12,305</u>	<u>b) \$15,381</u>
<u>July 1<sup>st</sup> – September 30<sup>th</sup></u>	<u>c) \$6,300</u>	<u>c) \$7,875</u>	<u>c) \$9,844</u>	<u>c) \$12,305</u>	<u>c) \$15,381</u>
<u>October 1<sup>st</sup> – December 31<sup>st</sup></u>	<u>d) \$4,200</u>	<u>d) \$5,250</u>	<u>d) \$6,563</u>	<u>d) \$ 8,203</u>	<u>d) \$10,254</u>
<b>Months</b>	<b>One Territory</b>	<b>Second Territory</b>	<b>Third Territory</b>	<b>Fourth Territory</b>	<b>Fifth Territory</b>
<b>1-12 months:</b>					
a) <del>1<sup>st</sup> through 15<sup>th</sup></del>	a) <del>\$ 0.00</del>	a) <del>\$ 0.00</del>	a) <del>\$ 0.00</del>	a) <del>0.00</del>	a) <del>\$ 0.00</del>
b) <del>16<sup>th</sup> through end of month</del>	b) <del>\$ 0.00</del>	b) <del>\$ 0.00</del>	b) <del>\$ 0.00</del>	b) <del>0.00</del>	b) <del>\$ 0.00</del>
<b>13-24 months:</b>					
a) <del>1<sup>st</sup> through 15<sup>th</sup></del>	a) <del>\$ 875.00</del>	a) <del>\$ 583.33</del>	a) <del>\$481.25</del>	a) <del>\$422.92</del>	a) <del>\$408.33</del>
b) <del>16<sup>th</sup> through end of month</del>	b) <del>\$ 875.00</del>	b) <del>\$ 583.33</del>	b) <del>\$481.25</del>	b) <del>\$422.92</del>	b) <del>\$408.33</del>

<u>Quarters</u>	<u>One Territory</u>	<u>Two Territories</u>	<u>Three Territories</u>	<u>Four Territories</u>	<u>Five Territories</u>
<b>25-36 months:</b> a) <del>1<sup>st</sup> through 15<sup>th</sup></del> b) <del>16<sup>th</sup> through end of month</del>	a) \$1,458.33 b) \$1,458.33	a) \$ <del>875.00</del> b) \$ <del>875.00</del>	a) \$685.42 b) \$685.42	a) \$583.33 b) \$583.33	a) \$525.00 b) \$525.00
<b>37-48 months:</b> a) <del>1<sup>st</sup> through 15<sup>th</sup></del> b) <del>16<sup>th</sup> through end of month</del>	a) \$1,750.00 b) \$1,750.00	a) \$1,020.83 b) \$1,020.83	a) \$772.92 b) \$772.92	a) \$656.25 b) \$656.25	a) \$583.33 b) \$583.33
<b>49 month and each month thereafter during the initial term or successor term</b> a) <del>1<sup>st</sup> through 15<sup>th</sup></del> b) <del>16<sup>th</sup> through end of month</del>	a) \$2,041.67 b) \$2,041.67	a) \$1,166.67 b) \$1,166.67	a) \$875.00 b) \$875.00	a) \$729.17 b) \$729.17	a) \$641.67 b) \$641.67

- (1) If you fail to achieve the level of Gross Revenue necessary in order to pay the minimum Continuing License Fee ~~three-two (23)~~ times in any twelve (12) month period during the term of the Franchise Agreement, but after the initial twelve (12) months of operation (when no minimum Continuing License Fee is required), we have the right in our sole and absolute discretion, to terminate the Franchise Agreement or reduce the size of Protected Territory and/or grant other franchises within your Protected Territory.
- (2) Marketing and Advertising Fund Fee. The purpose of this fee is to support the creative development and production by us (or agents selected by us) of all electronic, digital and other marketing and advertising programs we may execute from time to time; and also perform research, develop and provide updates and modifications in accordance with these efforts; including but not limited to website design, educational seminars and courses, photography and talent acquisition. We reserve the right to decide the amount and nature of these expenditures and how, when and where all expenditures are made (See Item 11). Proceeds from the Marketing and Advertising Fund will not be utilized for the direct personal benefit of any specific, individual Franchisee or on any pro rata basis whatsoever, but will be utilized generally for local, regional, or national marketing and advertising programs to support the Pink Zebra Moving system as a whole. Any specific business or benefits that may accrue to you from the general operations of the fund, such as business that may be generated for your franchise and other benefits derived from our website, will be suspended immediately upon your failure to pay the required monthly fee in a timely manner and will be reinstated only when payments and penalties are brought current.
- (3) Local Marketing Services Fee. You must participate in the Local Marketing Services Program that we offer to our franchisees and pay the associated fee. You will begin to market your Pink Zebra Moving business one month prior to the opening of your business. For one (1) month prior to opening followed by the first three (3) months of operation, you will be required to spend the greater of two thousand and five hundred dollars (\$2,500) or two and one-half cents (\$0.025) times the number of ~~2022~~ 2023 census total population in your Protected Territory divided by twelve (12)

and thereafter, the greater of one thousand and five hundred dollars (\$1,500) per month or two and one-half cents (\$0.025) times the number of ~~2022 census~~2023 census total population in your Protected Territory divided by twelve (12). You must also pay the then current third-party administration fee which is currently one thousand five hundred dollars (\$1,500) per month and is set by the vendor. For illustrative purposes only, if you have two (2) adjacent protected territories being operated from the same office and each territory has a population of five hundred thousand (500,000) people, totaling one million (1,000,000) people, your minimum monthly spend for Local Marketing Services, excluding third-party administration fees, would be two thousand and five hundred dollars (\$2,500) for the first four (4) months and two thousand and eighty-three dollars and thirty-three cents (\$2,083.33) thereafter. ~~one thousand, six hundred, and sixty-six dollars and sixty-seven cents (\$1,666.67) thereafter.~~ Services provided under this Program are described in Paragraph 11.2 of the Franchise Agreement. It is essential to the ongoing operation of the franchised business that you develop new customers, as well as service those existing or potential customers that are referred to you or developed through this Program. Although we currently utilize a third-party vendor to execute your local marketing services, we may in the future decide to manage your local marketing services without the assistance of a third-party vendor. The third-party administration fee is currently one thousand, five hundred dollars (\$1,500) per month and is set by the vendor. The Local Marketing Services Program Fee is currently collected by us.

- (4) Scheduling Software Service Fee. You must use the third-party scheduling software we require, which is currently ~~SmartMoving-Supermove~~ and the Scheduling Software Service Fee is collected by us. This fee is assessed based on the number of trucks your location has, and fulfills the business function of providing data, scheduling clients and employees, collecting payments, displaying charts and graphs and generating figures, forms and reports.- We currently receive a rebate or revenue share from the vendor. Where we in our sole discretion approve Multi-Territory franchises for adjacent territories and they are operating from the same office, there is not currently an additional Scheduling Software Fee for the adjacent territories. If a franchisee has non-adjacent multi-territories or opens a second physical location in the Multi-Territory adjacent territory, the Scheduling Software Service Fee is three hundred ninety-nine dollars (\$399) per territory or location. This fee is based on each physical location beginning operations with two (2) trucks. Should additional vehicles be added, the fee may be increased by one-hundred and seventy-five dollars (\$175) per additional vehicle.
- (5) National Sales Center Fee. ~~We have established and will operate a~~You must use the third-party National Sales Center which will field sales calls and ~~workattempt~~ to convert incoming leads into customers and route/assign work orders/inquiries as we deem necessary in our sole discretion. You are obligated to use the National Sales Center after executing a Franchise Agreement. We currently receive a rebate or revenue share from the vendor. There is no cost for the first six-three (36) months after your Opening is zero dollars (\$0.00) plus up to forty dollars (\$40) per successful sales conversion. -and a monthly charge of three hundred ninety-nine dollars (\$399) plus up to forty dollars (\$40)

per successful sales conversion thereafter. Where we in our sole discretion approve multi-territory franchises for adjacent territories and they are operating from the same office, the monthly National Sales Center Fee for each additional adjacent territory shall be ~~equal to point zero three cent~~two hundred and fifty dollars (\$250) plus up to forty dollars (\$40) per successful conversion. ~~(\$0.003) times the number of 2022 census~~2023 census total population in each additional adjacent Protected Territory divided by twelve (12). ~~For illustrative purposes only, if you have two (2) adjacent protected territories being operated from the same office and each territory has a population of five hundred thousand (500,000) people, totaling one million (1,000,000) people, your monthly National Sales Center Fee would be \$399 for the first territory plus \$125 for the second territory.~~

- (6) Insurance Reimbursement. You must obtain and maintain certain insurance in connection with your Pink Zebra Moving business. If you fail to obtain the required levels of insurance, we may obtain such insurance on your behalf and require that you reimburse us for the costs associated with obtaining this insurance for you, as well as pay us a service fee in connection with obtaining this insurance. Additionally, you agree not to permit any third-party subcontractor to perform any work or offer any services on your behalf unless such subcontractor maintains insurance coverage in such amounts and types as we require you to maintain, with the specific addition that subcontractors cannot exclude principals from its Workers' Compensation coverage and that liability policies name us as an additional insured. You agree to maintain evidence that such insurance by subcontractors is in effect and to provide such proof of insurance as we may require, in our sole discretion, from time to time. See Item 8 for more information regarding our insurance requirements.
- (7) Transfer Fee. You must pay us a transfer fee equal to forty percent (40%) of our then-current Initial Franchise Fee for each Protected Territory that is being transferred. In the event you transfer multiple Protected Territories at once, we reserve the right, but have no obligation, to reduce the transfer fee for any of the Protected Territories being transferred, and by any amount. If a third-party broker locates the transferee, you will also be solely responsible for any broker fees associated with the transfer. There are other conditions for transfer and all conditions must be met before the transfer is approved by us. Provided certain conditions are met, we will not charge you a transfer fee if you are an individual and transfer ownership to a corporation or limited liability company that you control. See Item 17 in this disclosure document for additional information regarding transfer.
- (8) Audit Fee. You must maintain accurate business records, reports, accounts, books and data relating to the operation of your Pink Zebra Moving business. We and our designees retain the right to inspect and/or audit your business records at any time during normal business hours, without notice, to determine whether you are current with suppliers and/or otherwise are operating in compliance with the terms of the Franchise Agreement and Confidential Operations Manual. In the event any such audit discloses an understatement of amounts reported or paid to us, you agree to pay to us the amount due,

plus interest (at the rate and on the terms provided for herein) from the date originally due until the date of payment. Furthermore, you must reimburse us for our costs and expenses associated with conducting the audit in the event: (i) such audit is made necessary by your failure to timely furnish reports, supporting records, other information or financial statements required under the Franchise Agreement; or (ii) if that audit reveals an understatement of greater than two percent (2%). These costs and expenses include, without limitation, our legal and accounting fees, travel, lodging and meal expenses and applicable per diem charges for our employees. The foregoing remedies are in addition to our other remedies and rights under the Franchise Agreement and/or applicable law. In the event any audit reveals that your information has been inaccurately reported, we reserve the right to audit other entities owned, controlled by, or affiliated with you.

- (9) National Conference. We hold an annual national conference for our System (the “Annual Conference”) and require that you attend this National Conference and pay us our registration fee, which is currently one thousand dollars (\$1,000) (maximum of two (2) people per territory). The registration fee for the second territory is reduced to five hundred dollars (\$500) and for the third (3<sup>rd</sup>), fourth (4<sup>th</sup>) and fifth (5<sup>th</sup>) territory, the registration fee is two hundred fifty dollars (\$250) per territory per attendee (maximum of two (2) people per territory). Additional people attending the National Conference will incur a five hundred dollars (\$500) fee. You will be charged two thousand dollars (\$2,000) per territory if you fail to attend the Annual Conference. If we determine, in our sole discretion, to change the National Conference format in any year to a virtual conference, the registration fee will be two hundred fifty dollars (\$250) instead of one thousand dollars (\$1,000).
- (10) Additional Training Requested By You. We will provide our initial training program (the “Initial Training Program”) to you and up to one additional representative you designate tuition-free. Any additional personnel, or replacement personnel, you wish to attend Initial Training Program must pay five hundred dollars (\$500) for initial training (“Tuition Fee”) prior to attending our Initial Training Program (subject to class availability and the schedule/availability of our personnel). You are responsible for all out-of-pocket expenses (including travel costs, if any) incurred in connection with your and any of your personnel’s attendance at the Initial Training Program, as well as any additional training we conduct for you. We will also charge you five hundred dollars (\$500) per day in connection with any on-site or other assistance we provide to you in connection with the establishment and/or operation of your Pink Zebra Moving business, and you will be responsible for all out-of-pocket expenses (including travel costs, if any) we incur in providing any on-site assistance at your Pink Zebra Moving business.
- (11) Successor Fee. Before ~~we will~~we approve the renewal of your Franchise Agreement, you must pay us a successor fee equal to five percent (5%) of our then-current Initial Franchise Fee. We have a number of additional conditions that you must meet in order to renew your Franchise Agreement, including without limitation: (i) providing us with written notice of your intent to renew no less than six (6) months prior to the expiration

of the term of the then-current Franchise Agreement; (ii) executing our then-current form of Franchise Agreement, the terms of which may materially differ from your current agreement; (iii) substantially complying with your Franchise Agreement during the existing term; and (iv) executing our prescribed form of general release in favor of us. See Item 17 in this disclosure document for additional information regarding renewal.

- (12) Costs and Attorneys' Fees. If we prevail in any action or other legal/administrative proceeding brought against you arising out of the Franchise Agreement or any other agreement with us, you must reimburse us for our reasonable attorneys' fees and other costs paid that we incurred in such proceedings in the event we prevail. If you bring any legal action to interpret or enforce the terms of the Franchise Agreement or any other agreement with us, and your claim in such action is denied or the action is dismissed, then we are entitled to recover our reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending the matter, and to have such an amount awarded as part of the judgment in the proceeding.
- (13) Telephone / Communications Fee. The telephone/communications fee is one hundred seventy-five dollars (\$175) per month. This fee is paid to us and provides you with one (1) single e-mail address, ~~one-two~~ (2) business phone numbers, one (1) line and one (1) phone system. We use Microsoft 365 as our vendor for e-mail services and Ring Central as our phone system provider. We currently receive a rebate or revenue share from the vendors.— If you have more than one (1) Territory, the Telephone Communications Fee applies per office only, regardless of the number of Territories. Additional e-mail addresses, phone lines and phone systems may be added for a separate fee upon request by the franchisee.
- (14) Indemnification. You are solely responsible for and must indemnify and hold us harmless for all loss, damage, claims or demands arising out of, or related to, the operation of your Pink Zebra Moving Business, including warranty claims. Your indemnification obligations are described more fully in the Franchise Agreement.
- (15) Late Payment Charges. If you fail to timely pay all Fees of any nature owed to us (under the Franchise Agreement or otherwise), then you are subject to our then-current late fee, ten percent (10%) of the amount due.
- (16) Failure to Comply with Employee Uniform and Appearance Requirements. Every Pink Zebra Moving employee is a reflection of our franchise system and each must project a professional image to our customers nationwide. Each of your employees must maintain high standards of personal cleanliness and grooming to present a consistent and professional appearance while representing and/or performing services on behalf of your Pink Zebra Moving franchise. The specific uniform and appearance requirements for your movers, drivers, packers, office staff, and other employees are more specifically described in our Operations Manual. To ensure the protection of the Pink Zebra Moving brand through the use of standard apparel and appropriate grooming, we have an enforcement procedure to maintain these requirements: if we discover one or more instances of non-compliance with the personnel uniform and/or appearance

requirements, we will impose a liquidated damages charge of two hundred dollars (\$200) per violation (i.e. if we observe 5 of your employees out of uniform, the monetary charge would be a total of one thousand dollars (\$1,000)) to cover, among other things, the on-going expense of monitoring your franchise to confirm when it comes into compliance as we determine.

- (17) Review and Approval of Supplier. We reserve the right to charge you a fee for reviewing any non-approved supplier of any vehicles, supplies, equipment, inventory or services, as well as any non-approved product, which you propose for use in connection with your Pink Zebra Moving business. If we determine that it is necessary to inspect the supplier's facilities or conduct tests, we may require you or the supplier to pay the actual costs we incur for such inspection and testing. Please see Item 8 of this disclosure document for additional information regarding our approval process for alternate suppliers or non-approved products.
- (18) Paper Manual Fee (Per Copy). You will have digital access to our current Confidential Operations Manual during the term of your executed Franchise Agreement. If you would like a paper copy of your Operations Manual, you will be required to pay us fifty dollars (\$50) for each printed copy.
- (19) CRM Fee. If implemented, you will use the CRM (Customer Relations Management) software we require at the time of implementation. The cost is expected to be one hundred dollars (\$100) per month. Where we in our sole discretion approve contiguous multi-territory franchises, you will only be required to pay one CRM Fee.
- (20) Failure to Comply with Vehicle Safety and Appearance. The vital importance of vehicle safety and appearance requires that we have an effective enforcement policy that underscores the serious nature of maintaining trucks and all other vehicles that operate within our franchise system. Safety and other legal requirements are described in federal, state, and local trucking and other laws and regulations, which you are obligated to know and abide by at all times. We are not required to teach or instruct you regarding any of these laws and/or regulations, although during the course of your training, you will be provided with information regarding them. Even so, it will be your responsibility and legal obligation, as an independent businessperson, to know and comply with all federal, state, and local trucking and other laws and regulations. To protect the franchise system's reputation, our representative may observe all Pink Zebra Moving vehicles. We will provide you with a time-frame for addressing vehicle-related safety and appearance issues that we discover. The vehicle safety and appearance requirements may be more specifically described in the Franchise Agreement and/or in our Operations Manual. If a repair or other violation is not cured in the prescribed time-frame, we can impose a reasonable liquidated damage on a per-incident, per-day basis until the repair or other violation is cured, as we determine in our sole discretion based on the evidence we have. Liquidated damages will be assessed in accordance with the following procedure, which procedure may be modified if we decide it appropriate to do so:

- If our representative observes a vehicle safety and/or appearance violation, you will be given written notice of the violation, and will be provided a reasonable time period to cure the violation.
- If the violation is not cured as we determine in the required time frame, you will be notified in writing that you have failed to timely cure a violation and we will impose a liquidated damages charge of one thousand dollars (\$1,000) per day per vehicle.

(21) Failure to Comply with Branch Manager Certification. Every Pink Zebra Moving Branch Manager is a reflection of our franchise system, and each must display an in-depth knowledge and understanding of the Pink Zebra Moving systems and processes. Each management-level employee must satisfactorily complete our Initial Training Program or otherwise be trained by you, have received our Training Certificate for Initial Training, and meet our qualifications. Should your manager fail to earn a Training Certificate within thirty (30) days from their date of employment, you will be notified in writing that your manager has failed to timely complete the Initial Training and we will impose a liquidated damages charge of one hundred dollars (\$100) per day until the Branch Manager has earned their Training Certificate.

(22) Abandonment or Failure to Operate the Business for Two (2) or More Consecutive Business Days. Each Pink Zebra Moving Franchise has an obligation to operate the business in accordance with the hours of operation set out in the Confidential Operations Manual. The required hours of operation may be set by us or changed by us from time to time. Should you cease to operate for two (2) or more consecutive days without prior approval from us, we will impose a liquidated damages charge of two hundred and fifty dollars (\$250) per day until business operations commence.

(23) Violation of any Health, Safety, or Sanitation Law, Ordinance or Regulation, Resulting in Loss of Applicable State or Federal Operating Authority for a Period of More Than Five (5) Days. Moving companies are regulated by federal and state law. State laws can vary significantly from state to state. The U.S. Department of Transportation's Federal Motor Carrier Safety Administration administers federal laws. Most states have consumer protection laws which cover moving companies and services and in the case of interstate commerce, federal regulations dictate specific terms under which a moving company can operate. Consumer Protection Regulations deal with interstate commerce and govern estimates, inventory, packaging, loading, and unloading at personal residences. The National Highway Traffic Safety Administration also regulates the safety of motor vehicles and related equipment. You will be responsible for contacting your local and state governmental agencies regarding restrictions on the operation of the Franchised Business and for complying with any federal, state, or local laws and regulations which may impact your franchise business within a specific area or territory of your state. It is vital to the Pink Zebra Moving brand that each operation complies with federal and state laws and guidelines, and that each operation maintains the necessary licenses and certificates to legally operate the business. Should you violate any

health, safety, or sanitation law, ordinance, or regulation, resulting in loss of applicable state or federal operating authority for a period of more than five (5) days, we will impose a liquidated damages charge of five hundred dollars (\$500) per day until your operating authority has been restored.

(24) Failure to Submit When Due, Reports or Other Data, Information or Supporting Records, or to Pay When Due Any Amounts Due to Us or Otherwise to Comply with the Franchise Agreement on two (2) or More Occasions Within Any Period of Twelve (12) Months. Pink Zebra Moving Franchisees have an obligation to submit when due, various reports, data, information, and/or payments, and to comply with the terms of the Franchise Agreement. If you fail to submit reports, data, information, and/or payments, or to otherwise comply with the terms of the Franchise Agreement on two (2) or more occasions within any period of twelve (12) months, we have the absolute right to impose a liquidated damages charge of one thousand dollars (\$1,000) per occurrence.

**ITEM 7**

**ESTIMATED INITIAL INVESTMENT**

**CHART A  
YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to Be Made</b>
Initial Franchise Fee (Note 1)	\$30,000	Lump sum	Signing of Franchise Agreement unless you are entering into a Preliminary Approval Agreement	Us
Territory Development Fee (Note 2)	\$15,000 - \$30,000	Lump Sum	Signing of Franchise Agreement	Us
Local Marketing Services Fees (Note 3)	\$16,000	As Arranged	As Incurred	Vendor (Currently Collected by Us).
Scheduling Software (Note 4)	\$1,197	As Arranged	As Incurred	Vendor (Currently Collected by Us)
Commercial Moving Trucks (Note 5)	\$28,600 - \$37,600	As Arranged	As Arranged	Vendor
Truck Wrap (Note 6)	\$7,000	As Arranged	As Incurred	Vendor

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to Be Made
Office Lease, Utility and Security Deposit (Note 7)	\$4,800 - \$8,000	As Arranged	As Incurred	Landlord(s)
Leasehold Improvements (Note 8)	\$1,000 - \$5,000	Lump Sum	As Incurred	Service Providers
Fixtures, Furnishings and Equipment, Computer System, Printer, Supplies (Note 9)	\$7,500 - \$10,000	As Arranged	As Arranged	Vendors
Business Licenses/DOT (Note 10)	\$0 - \$500	As Arranged	As Incurred	Vendor
Insurance (Note 11)	\$6,000 - \$8,000	As Arranged	As Incurred	Vendor
Legal and Accounting (Note 12)	<del>\$750800</del> - \$2,000	As Arranged	Prior to Opening	Vendor
Initial Training Expenses (Note 13)	\$1,500 - \$2,000	As Arranged	Prior to Opening	Suppliers, Licensing Agencies
Signage – Interior/Exterior Signs (Note 14)	\$50 - \$1,500	As Arranged	As Incurred	Service Provider
Website Development and SEO Fee (Note 15)	\$7,500	Lump Sum	<del>Signing of Franchise Agreement</del> As Incurred	<del>Vendor</del> Us
<u>Pre-open Marketing Kit and Year One Local Brand Awareness Campaign (Note 16)</u>	<u>\$5,000</u>	<u>Lump Sum</u>	<u>Signing of Franchise Agreement</u>	<u>Us</u>
Telephone / Communications Fee (Note 17)	\$700	Lump Sum	When Signing Franchise Agreement	Us
Uniforms (Note 18)	<del>\$267405</del> - <del>\$500775</del>	Lump Sum	As Incurred	<del>Vendor</del> Us
<u>Recruiting Software (Note 19)</u>	<u>\$595</u>	<u>Lump Sum</u>	<u>Annually</u>	<u>Vendor</u>
Additional Funds – 3 Months (Note 20)	\$11,955 - \$30,725	Lump Sum	As Incurred	Transportation/ Hotels/Stores
Total Estimated Initial Investment (Note 21)	<del>\$140,007</del> <u>145,414</u> - <del>\$197,497</del> <u>203,817</u>			

All fees paid to us are non-refundable and fully earned when due. The above estimates are based on our experience in the industry and exclude National Sales Center sales conversion fees, real estate purchases, owner's salary or financing charges.

## NOTES:

Generally. The chart above assumes you operate your Pink Zebra Moving business from a leased office space which is between one thousand and two thousand (1,000 – 2,000) square feet. Actual costs may vary for each franchise location depending on several factors, including but not limited to market condition, geographical location of your Pink Zebra Moving business and your ability to follow our systems.

- (1) Initial Franchise Fee. The nonrefundable Initial Franchise Fee for a single location is thirty thousand dollars (\$30,000) for a territory with a minimum population of three hundred thousand (300,000) ~~2023~~2022 total census population and a maximum territory size of six hundred thousand (600,000) total ~~2022-census~~2023 census population. The franchise fee is payable in full and is nonrefundable when the franchise agreement is signed. You are able to receive discounts toward an Initial Franchise Fee if you purchase multiple contiguous territories (up to 5). We may in our sole discretion, accept a franchise reservation fee of five thousand dollars (\$5,000) to be applied toward the Initial Franchise Fee if you sign a Preliminary Approval Agreement (Exhibit G) and sign a Franchise Agreement within ninety (90) days of signing the Preliminary Approval Agreement. The deposit will be forfeited if you fail to sign a Franchise Agreement and pay the balance of the Initial Franchise Fee within ninety (90) days of signing the Preliminary Approval Agreement.
- (2) Territory Development Fee. The minimum size of a Protected Territory is three hundred thousand (300,000) ~~2023~~2022 total census population and the maximum size is six hundred thousand (600,000) ~~2023~~2022 total census population. At the time you enter into a Franchise Agreement, you will pay us a fee equal to five cents (\$0.05) times the number of ~~2023~~2022 total census population in your Protected Territory.
- (3) Local Marketing Services Fees. Local Marketing Services Fees provide your Pink Zebra Moving business with paid digital advertising. You will begin to market your Pink Zebra Moving business one (1) month prior to your Opening date. For the first four (4) months of paid digital advertising, you will be required to spend the greater of two thousand and five hundred dollars (\$2,500) or two and one-half cents (\$0.025) times the number of ~~2022-census~~2023 census total population in your Protected Territory divided by twelve (12) for the first four (4) months and thereafter the greater of one thousand and five hundred dollars (\$1,500) per month or two and one-half cents (\$0.025) times the number of ~~2022-census~~2023 census total population in your Protected Territory divided by twelve (12). You must also pay the third-party administration fee which is currently one thousand five hundred dollars (\$1,500) per month and is set by the vendor. For illustrative purposes only, if your territory has a population of five hundred thousand (500,000) people, the minimum monthly spend for Local Marketing Services, excluding third-party administration fees, would be two thousand and five hundred dollars (\$2,500) for the first four (4) months and one thousand and five hundred dollars (\$1,500) per month thereafter. Although we currently utilize a third-party vendor to execute your local marketing services, we may in the future decide to manage your local marketing services

without the assistance of a ~~third party~~third-party vendor. The third-party administration fee is currently one thousand five hundred dollars (\$1,500) per month and is set by the vendor. The ~~estimated low/high~~ Local Marketing Services Fees in Chart A represent four (4) months of payment that are currently collected by us.

- (4) Scheduling Software. You will be required to subscribe to a third-party software product called ~~SmartMoving-Supermove~~collected by us. Your cost will be three hundred ninety-nine dollars (\$399) per ~~month~~month and is collected by us. The estimate represents three (3) months of payment that are currently collected by us.
- (5) Commercial Moving Trucks. *Your required minimum number of trucks will be determined by us based on a demographic analysis of your territory.* For a Single Territory, you will be required to own or lease a minimum of two (2) trucks at start up. You may choose to obtain additional trucks at or after opening based on your business' growth. Trucks must meet our specifications for appearance, design and functionality. Many franchisees finance or lease their trucks. Used trucks generally cost between fifteen thousand dollars (\$15,000) and seventy-five thousand dollars (\$75,000) each. New trucks generally cost between seventy-five thousand dollars (\$75,000) and one hundred twenty-five thousand dollars (\$125,000) each. If you finance the trucks, we estimate that you will be required to pay approximately ten percent (10%) down (between three thousand dollars (\$3,000) and fifteen thousand dollars (\$15,000) for two (2) used trucks) and should be able to finance the balance over a four (4) to six (6) year period. Your monthly payments will vary depending on the cost of the trucks, the time period of the financing and the interest rate. If you lease the trucks, your down payment, security deposit and/or monthly payments are expected to be less but can vary based on your personal credit history, driving record and value of the trucks. The value of leased commercial trucks is generally between eighty thousand dollars (\$80,000) to one hundred twenty-five thousand dollars (\$125,000).

The low end of the estimate in the table assumes you have leased two (2) used trucks with a ten percent (10%) up-front security deposit plus three (3) monthly lease payments of two thousand one hundred dollars (\$2,100) per month. Our estimate for your monthly lease payments is based on a five-year lease term for a used truck valued at approximately eighty thousand dollars (\$80,000). The high end of the estimate in the table assumes you have financed the purchase of two (2) new trucks with a down payment of approximately ten percent (10%) of the cost of the truck plus three (3) monthly payments of two thousand one hundred dollars (\$2,100) per month. Our estimate for your monthly lease payment is based on a five-year lease term for two (2) used truck valued at approximately eighty thousand dollars (\$80,000) each. Our estimate for your monthly finance payment is based on a five-year loan with an interest rate of five percent (5%) for two (2) new trucks that each cost one hundred twenty-five thousand dollars (\$125,000). (See below for summary.)

	<b>Low</b>	<b>High</b>
	<b>Leased</b>	<b>Financed</b>
	<b>Used</b>	<b>New</b>
Value of Truck	\$80,000	\$125,000

	<b>Low Leased Used</b>	<b>High Financed New</b>
10% Security Deposit / Down Payment	\$8,000	\$12,500
3 Monthly Payments at \$2,100	\$6,300	\$6,300
Sub-Total per Truck	\$14,300	\$18,800
<b>2 Trucks</b>	<b>\$28,600</b>	<b>\$37,600</b>

- (6) Truck Wrap. The estimated cost to print and install the Truck wrap is three thousand five hundred dollars (\$3,500) per truck from our preferred vendor. A minimum of two (2) trucks is ~~required~~required, bringing the estimated cost to seven thousand dollars (\$7,000).
- (7) Office Lease, Utility and Security Deposit. You will need to lease ~~a commercial~~commercial office space between one thousand (1,000) and two thousand (2,000) square feet. The space should contain at least two (2) offices, one (1) conference room, one (1) reception space, one (1) restroom and a storage area. Rent may vary based on geographic location, size, term of lease and general market conditions. Lease deposit rates will vary depending on several factors, including occupancy rate, term of lease, personal guaranty, your personal credit score, and your personal financial history. Our low and high estimates represent a security deposit plus three (3) months of lease payments for an office space between one thousand (1,000) and two thousand (2,000) square feet. This estimate includes utility costs such as electricity, garbage, and water for your office space.
- (8) Leasehold Improvements. Typical locations are light industrial and commercial areas. The typical ~~space~~space leased is from one thousand (1,000) and two thousand (2,000) square feet. Improvements typically include minor projects such as painting, ~~carpets~~carpets, and electrical repair. Our low number estimate assumes that either no work is required for leasehold improvements or if the landlord provides leasehold improvements at no cost.
- (9) Fixtures, Furnishings and Equipment, Computer System, Printer, Supplies. In addition to the Leasehold Improvements for your Pink Zebra Moving business, you must obtain desks, file cabinets, décor, chairs, conference room table, and chairs and miscellaneous office supplies, etc. We estimate that your office furniture, fixtures, and equipment will cost between seven thousand and five hundred dollars (\$7,500) and ten thousand dollars (\$10,000), depending on what items you already have that are available for use. Labor for installation or other similar services is not included in our estimate.
- (10) Business Licenses/DOT. You must acquire a general business license, any specialty licenses required by your state or federal agency, and any third-party certifications that may be required by us. You will also be required to register your company vehicles with the Department of Transportation. We do not list costs for obtaining an attorney although you may wish to consult with an attorney in some cases. We estimate the costs of these licenses and certifications to be zero dollars (\$0) to five hundred dollars (\$500).
- (11) Insurance. We estimate that your initial insurance deposit will be approximately six thousand dollars (\$6,000) to eight thousand dollars (\$8,000) and will include coverage for

general liability, auto insurance coverage, cargo liability and a surety bond. The cost of coverage will vary based upon the area in which your Pink Zebra Moving business will be located, your experience with the insurance carrier, your loss experience, your level of sales and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may want to carry. Our insurance estimate does not include costs for workers' compensation insurance.

- (12) Legal and Accounting. This estimate is based on the fees necessary to create a franchisee entity and retaining legal counsel and accountants to review this Disclosure Document and franchise agreement, as well as review state or local laws and regulations pertaining to your business. In addition, this estimate consists of using our required Certified Public Accountant for ~~two hundred eighty five~~three hundred and fifty dollars (\$~~350~~285) per quarter and a one-time setup charge of four hundred dollars (\$400). This also includes three (3) months of use with QuickBooks.
- (13) Initial Training Expenses. There is no charge for the initial training program for the franchisee and up to one representative of your Pink Zebra Moving business. The training program is described in Item 11. Our estimate is for transportation, meals and lodging while attending the training. Our low estimate assumes one person attends training, drives to training, and stays in budget accommodations. Our high estimate assumes two people attend training and each purchase discounted, advance purchase airline tickets and stay in mid-level accommodations. Costs for lodging, food and airfare will vary depending on several factors such as market conditions, geographical point of origin and current fuel costs. Additional representatives of your Pink Zebra Moving business may be subject to a training fee of five hundred dollars (\$500) per day.
- (14) Signage – Interior/Exterior signs. You may be required to obtain a professional sign for your Pink Zebra Moving business. Our estimate for a professional sign is fifty dollars (\$50) to one thousand five hundred dollars (\$1,500). We do not estimate costs for a professional sign that requires use of equipment such as a crane to install signs.
- (15) Website Development and Search Engine Optimization (SEO). You will pay a Website Development and Search Engine Optimization (SEO) fee at the time you sign your Franchise Agreement. The fee is currently seven thousand and five hundred dollars (\$7,500) and covers the cost of creating your website and twelve (12) months of SEO management. You may be required to continue utilizing and paying for ongoing SEO in months thirteen (13) and beyond. This obligation may, as determined by ~~Franchisor~~the Franchisor in its sole discretion, continue for the entire term of your Franchise Agreement.
- ~~(15)~~(16) Pre-open Marketing Kit and Year One Local Market Awareness Campaign. You will pay a Pre-open Marketing Kit and Year One Local Brand Awareness Campaign fee at the time you sign your Franchise Agreement. The fee is currently five thousand dollars (\$5,000) and covers one (1) pre-open marketing kit, including print and promotional materials, and a twelve (12) month Meta Local Market Awareness Campaign.

~~(16)~~(17) Telephone / Communications Fee. Cost for one month (one hundred seventy-five dollars (\$175) per month) prior to opening and three months after opening. This fee (see Item 6) is paid to us and provides you with one (1) single e-mail address, ~~two (2)~~one business phone numbers, ~~one (1)~~ line and one (1) phone system. We use Microsoft 365 as our vendor for e-mail services and Ring Central as our phone system provider. We collect this fee from you at the time of signing your Franchise Agreement for one month prior to opening and three (3) months after opening (four (4) months at one hundred seventy-five dollars to seven hundred dollars (\$175 - \$700)). If you have more than one (1) Territory, the Telephone Communications Fee only applies to Franchise Agreements where the Territory has an office in the Franchise Agreement Territory.

~~(18)~~ Uniforms. The low range of ~~uniforms~~uniforms, ~~four-two~~ hundred ~~five-and sixty-seven~~ dollars (~~\$267405~~) reflects the minimum order of twelve (12) crew member shirts in both pink and black, five (5) crew member hats, one (1) branch manager pink polo shirt and one (1) branch manager black polo shirt. The high range of uniforms ~~seven-hundred-seventy-five-five hundred~~ dollars (~~\$500775~~) reflects twenty-four (24) crew member shirts in both pink and black, ten (10) crew member hats, one (1) branch manager pink polo shirt and one (1) branch manager black polo shirt.

~~(17)~~(19) Recruiting Software. We require you to use CareerPlug as the primary employee recruiting application for your franchise. The software can be set up as an online service. Currently, we have negotiated a preferred rate of five hundred and ninety-five dollars (\$595) per year. However, the yearly rate may increase over time and is solely determined by CareerPlug. As with all computer and internet information we have complete access to all of the information at all times.

~~(18)~~(20) Additional Funds – 3 Months. The estimate of additional funds of eleven thousand nine hundred fifty-five dollars (\$11,955) to thirty thousand seven hundred twenty-five dollars (\$30,725) is for a period of at least three (3) months and is based on an owner-operated business and does not include any allowance for an owner's draw or salary. We estimate that, in general, you may expect to put additional cash into your Pink Zebra Moving business during the first three months of operations, and sometimes longer, but we cannot estimate or promise when or whether, you will achieve a positive cash flow or profits. This estimate does not include any fees paid for debt services. These figures are estimates and we cannot guarantee that you will not have additional expenses in starting the business. Your costs will depend on factors such as: how closely you follow our systems; how effective you are at controlling employee turnover; how efficient you are at pricing services; your management skills, experience, and business acumen; local economic conditions; the local market for our products and services; the prevailing wage rate; inflationary pressures; and how much you pay a Branch Manager to manage your Pink Zebra Moving business.

You may experience additional initial pre-opening and start-up expenses not otherwise mentioned in the Table, including but not limited to taxes, payroll, marketing, labor, merchant processing, bank services, entertainment and/or employee recruiting, as described in Item 11. The amounts are estimates based on our estimate of average costs

and market conditions prevailing as of the date of this Disclosure Document. We cannot guarantee that you will not have additional expenses starting your business.

~~(19)~~(21) Total Estimated Initial Investment. These estimates are based on the experience of our founder in offering and selling franchises since 2013, the experience of our affiliate in managing a local moving company since December 2020, and estimates we have received from third-party vendors. We do not directly or indirectly offer financing for your initial investment.

**CHART B**  
**YOUR ESTIMATED INITIAL INVESTMENT**  
**FOR A MULTI-TERRITORY OFFERING WITH TWO ADJACENT TERRITORIES**

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	TIME OF PAYMENT	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fees (Note 1)	\$45,000	Lump Sum	Signing of Two Franchise Agreements and Multi- Territory Addendum	Us
Territory Development Fees (Note 2)	\$30,000 - \$60,000	Lump Sum	Signing of Two Franchise Agreements and Multi- Territory Addendum	Us
Local Marketing Services Fees (Note 3)	\$16,000	As Arranged	As Incurred	Vendor (Currently Collected by Us)
Scheduling Software Fees (Note 4)	\$1,197 - <del>\$2,394</del>	As Arranged	As Incurred	Vendor (Currently Collected by Us)
Commercial Moving Trucks (Note 5)	\$28,600 - \$75,200	As Arranged	As Incurred	Vendor
<u>Insurance (Note 6)</u>	<u>\$6,000 - \$16,000</u>	<u>As Arranged</u>	<u>As Incurred</u>	<u>Vendor</u>
Truck Wrap (Note <del>7</del> 6)	\$7,000 - \$14,000	As Arranged	As Incurred	Vendor
Additional Expenditures (Note <del>8</del> 7)	<del>\$41,617</del> 37,209 - <del>\$74,020</del> 70,700	See Item 7, Chart A (Notes 7 through <del>18</del> 10 and 12-19)		
<b>Total (Note <del>9</del>8)</b>	<b><u>\$175,414</u>165,006 - <u>\$302,614</u>282,097</b>			

Generally. The Chart above assumes the operation of one leased commercial office for two (2) Pink Zebra Moving businesses in two (2) Protected Adjacent Territories. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. Actual costs will vary for each franchise location depending on several factors, including market condition

and the geographic location of your leased office and Pink Zebra Moving businesses. Costs will be significantly higher if you decide to lease a second commercial space.

(1) ~~Note 1.~~ Multi-Territory Initial Franchise Fee. You will be required to execute a Franchise Agreement for each of the two (2) adjacent Pink Zebra Moving businesses you are granted as part of your Multi-Territory Offering, as well as our prescribed form of Multi-Territory Addendum, all at the same time. Upon the execution of these agreements, you will be required to pay us a multi-territory Initial Franchise Fee amounting to forty-five thousand dollars (\$45,000) for the right to operate your Pink Zebra Moving business in two (2) adjacent territories, which will be paid in a lump-sum at the time you sign the two (2) Franchise Agreements and Multi-Territory Addendum. The multi-territory Initial Franchise Fee is deemed fully earned and non-refundable upon payment. Please see Item 5 of this Disclosure Document for additional information on the multi-territory Initial Franchise Fees.

(2) ~~Note 2.~~ Territory Development Fees. You will be required to pay us a Territory Development Fee upon execution of a Franchise Agreement for each of the Pink Zebra Moving businesses you are granted as part of your Multi-Territory Offering, as well as our prescribed form of Multi-Territory Addendum, all at the same time. Upon execution of these agreements, you will be required to pay us a multi-territory Territory Development Fee amounting to between thirty thousand dollars (\$30,000) and sixty thousand dollars (\$60,000) for the right to operate two Pink Zebra Moving businesses in two territories. This fee will be paid in a lump sum at the time you sign the Franchise Agreements and Multi-Territory Addendum. Please see Item 5 of this Disclosure Document for additional information on our Territory Development Fees.

(3) ~~Note 3.~~ Local Marketing Services Fees. You will begin to market each of your Pink Zebra Moving businesses with us one (1) month prior to your Opening date. For the first four (4) months of paid digital advertising, you will be required to spend greater of two thousand and five hundred dollars (\$2,500) or two and one-half cents (\$0.025) times the number of ~~2022 census~~2023 census total population in your Protected Territory divided by twelve (12) for the first four (4) months and thereafter, the greater of one thousand five hundred dollars (\$1,500) per month or two and one-half cents (\$0.025) times the number of ~~2022 census~~2023 census total population in your Protected Territory divided by twelve (12). You must also pay the third-party administration fee which is currently one thousand five hundred dollars (\$1,500) per month and is set by the vendor. For illustrative purposes only, if you have two (2) adjacent protected territories being operated from the same office and each territory has a population of five hundred thousand (500,000) people, totaling one million (1,000,000) people, your minimum monthly spend for Local Marketing Services, excluding third-party administration fees, would be two thousand five hundred dollars (\$2,500) for the first four (4) months and two thousand eighty-three dollars and thirty-three cents (\$2,083.33) thereafter. The amount set out in the chart represents three (3) months Local Marketing Fees for your two (2) territories. Fees are currently collected by us. Local Marketing Services Fees provide your Pink Zebra Moving businesses with paid digital advertising. Although we currently utilize a third-party vendor to execute our local marketing services, we may in the future decide to manage your local marketing services without the assistance of a vendor. The third-party administration fee is currently one thousand five hundred dollars (\$1,500) per month and is set by the vendor. The estimated low/high Local Marketing Fees represent four (4) months of payment that are currently collected by us.

(4) ~~Note 4.~~ Scheduling Software Fee. You will be required to subscribe to a third-party

~~software product called Supermove. You will be required to subscribe to a third-party software product called SmartMoving currently collected by us.~~ The Scheduling Software Service Fee for contiguous territories is three hundred and ninety-nine dollars (\$399) per month. If a franchisee has non-adjacent multi-territories or opens a second physical location in the Multi-Territory adjacent territory, the Scheduling Software Service Fee is three hundred and ninety-nine dollars (\$399) per territory or location. The amount set forth in the chart represents three (3) months Scheduling Software fees for two (2) contiguous territories operating from the same office. -This fee is based on each physical location beginning operations with two (2) trucks. Should additional vehicles be added, the fee may be increased by one-hundred and seventy-five dollars (\$175) per additional vehicle.

~~(5) Note 5—Commercial Moving Trucks.~~ For a Multi-Territory Territory, you will be required to own or lease a two (-2), three (3) or four (4) trucks at start up. Your required minimum number of trucks will be determined by us based on a demographic analysis of your territory. You may choose to obtain additional trucks at or after opening based on your business’ growth. Trucks must meet our specifications for appearance, ~~design~~design, and functionality. Many franchisees finance or lease their trucks. Used trucks generally cost between fifteen thousand dollars (\$15,000) and seventy-five thousand dollars (\$75,000) each. New trucks generally cost between seventy-five thousand dollars (\$75,000) and one hundred twenty-five thousand dollars (\$125,000) each. If you finance the trucks, we estimate that you will be required to pay approximately ten percent (10%) down (between three thousand dollars (\$3,000) and fifteen thousand dollars (\$15,000) for two (2) used trucks) and should be able to finance the balance over a four (4) to six (6) year period. Your monthly payments will vary depending on the cost of the trucks, the time period of the financing and the interest rate. If you lease the trucks, your down payment, security deposit and/or monthly payments are expected to be less but can vary based on your personal credit history, driving record and value of the trucks. The value of leased commercial trucks is generally between eighty thousand dollars (\$80,000) to one hundred twenty-five thousand dollars (\$125,000).

The low end of the estimate in the table assumes you have leased two (2) used trucks with a ten percent (10%) up-front security deposit plus three (3) monthly lease payments of two thousand one hundred dollars (\$2,100) per month. Our estimate for your monthly lease payments is based on a five-year lease term for a used truck valued at approximately eighty thousand dollars (\$80,000). The high end of the estimate in the table assumes you have financed the purchase of two (2) new trucks with a down payment of approximately ten percent (10%) of the cost of the truck plus three (3) monthly payments of two thousand one hundred dollars (\$2,100) per month. Our estimate for your monthly lease payment is based on a five-year lease term for two (2) used truck valued at approximately eighty thousand dollars (\$80,000) each. Our estimate for your monthly finance payment is based on a five-year loan with an interest rate of five percent (5%) for two (2) new trucks that each cost one hundred twenty-five thousand dollars (\$125,000). (See below for summary.)

	<b>Low</b>	<b>High</b>
	<b>Leased</b>	<b>Financed</b>
	<b>Used</b>	<b>New</b>
Value of Truck	\$80,000	\$125,000

	<b>Low Leased Used</b>	<b>High Financed New</b>
10% Security Deposit / Down Payment	\$8,000	\$12,500
3 Monthly Payments at \$2,100	\$6,300	\$6,300
Sub-Total per Truck	\$14,300	\$18,800
<b>2 Trucks</b>	<b>\$28,600</b>	<b>\$37,600</b>
<b>4 Trucks</b>	<b>\$57,200</b>	<b>\$75,200</b>

(6) Insurance. We estimate that your initial insurance deposit will be approximately six thousand dollars (\$6,000) to sixteen thousand dollars (\$16,000) and will include coverage for general liability, auto insurance coverage, cargo liability and a surety bond. The cost of coverage will vary based upon the area in which your Pink Zebra Moving business will be located, your experience with the insurance carrier, your loss experience, your level of sales and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may want to carry. Our insurance estimate does not include costs for workers' compensation insurance.

~~(7) Note 6- Truck Wrap.~~ The estimated cost to print and install the Truck wrap is three thousand five hundred dollars (\$3,500) per truck from our preferred vendor. A minimum of two (2) trucks is required, bringing the estimated cost to seven thousand dollars (\$7,000). ~~The truck wrap ranges from one thousand five hundred dollars to three thousand five hundred dollars (\$1,500 – \$3,500) per truck. Print only is one thousand five hundred dollars (\$1,500) per truck. Print and installation is three thousand five hundred dollars \$3,500 per truck. The low range of three thousand dollars (\$3,000) reflects printing only of the vehicle wrap for two trucks. The high range of fourteen thousand dollars (\$14,000) reflects printing and installation of the vehicle wrap for four trucks. Although our preferred vendor offers a discounted price to Pink Zebra franchisees of one thousand five hundred dollars (\$1,500) to three thousand five hundred dollars (\$3,500) per truck, you may obtain a local vendor to print and/or install the wrap.~~

(8) Note 7- Additional Expenditures Associated with Opening and Operating your Pink Zebra Moving businesses. We expect that you will operate two (2) Pink Zebra Moving businesses from one commercial office space. We do not expect you to be able to reduce any expenses by owning two (2) Pink Zebra Moving franchise businesses other than our Initial Franchise Fee and Scheduling Software Fee. Two (2) Local Marketing Services Fees are owed to us if you purchase a second Protected Territory. Please see Notes 6 through 15 of Chart A in Item 7 for an explanation of the Additional Expenditures Associated with Opening and Operating two Pink Zebra Moving businesses from one commercial office space.

(9) Note 8- Initial Investment. These estimates are based on the experience of our founder, the experience of our affiliate in managing a local moving company since December 2020, and estimates we have received from third-party vendors.

## ITEM 8

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

One of our prime objectives is to ensure quality control and protect the image of the Pink Zebra Moving franchise system. It is mandatory that you comply with the standards and specifications contained in our Confidential Operations Manual loaned to you, which may be modified from time to time, together with bulletins and/or other written information we may provide to you.

You must purchase or lease certain items to operate your franchise and to render moving and packing services effectively and economically.

Your purchases and leases will include general moving supplies such as dollies, boxes, ~~tapetape~~, and bubble wrap. You will also purchase general items such as computers, printers, office furniture, computer software and various supplies, all pursuant to specifications set forth in our Confidential Operations Manual. These specifications include standards for customer satisfaction and performance and are subject to change from time to time. Our specifications require that you render services which meet or exceed any given customer's reasonable expectations for local moving or packing services. Although our specifications are general in ~~nature~~nature, we require you to meet our goal of delivering a positive customer experience and that you abide by all laws and regulations applicable to local moving and also use of moving supplies.

#### Approved Sources

You must purchase your equipment, products, and supplies only from us or our approved suppliers as described in our Confidential Operations Manual. From time to time we, an affiliate, or a third-party vendor or supplier may be the only approved supplier for certain products or services. You must purchase all items using or bearing our trademarks directly from us or an approved vendor. These items include, but are not limited to, employee clothing, uniform shirts or other items used in the franchise. Additionally, you must purchase all employee uniforms and marketing materials directly from us or an approved vendor. You will pay the then-current price in effect for all purchases you make from us, our ~~affiliates~~affiliates, or any third-party vendor we designate. We are the only supplier ~~for~~of trademark items. Other than trademark items for which we are the only approved supplier, there are no approved suppliers in which any of our officers own an interest. We are also the only approved supplier of the e-mail address, business phone number/line and phone system, which make up the Telephone / Communications Fee set out in Item 5 and Item 6.

#### Approved Suppliers and Approved Supplies Lists

We will provide you with a list of approved manufacturers, suppliers and distributors ("Approved Suppliers List") and a list of approved ~~inventory~~inventories, products, fixtures, equipment, signs, supplies and other items or services necessary to operate the Pink Zebra Moving Franchised Business ("Approved Supplies List"). We reserve the right to designate a required source of supply for certain products and supplies that we may determine to be essential to our system and/or proprietary and we or an affiliate may be such a required source. Unless approved by Us, we are the only supplier of items using or bearing our trademark and for your employee uniforms.

Approved Supplier and Approved Supplies Lists also may include other specific products without reference to a particular manufacturer or supplier, or they may set forth the specifications and/or standards for other approved products. For example, as noted below, you must obtain insurance that meets our standards and requirements. We may revise the Approved Suppliers List and Approved Supplies List from time to time as we deem advisable. We will determine and give you the Approved Suppliers List and contact information for the distributors and/or manufacturers of all products and suppliers. We do not provide you with material benefits (for example, successor franchises or granting additional territory or franchisees) based upon your purchases of particular products or services or use of particular suppliers.

If you propose to use in the operation of your Franchised Business any service, product, supply, material, furnishing or equipment which has not yet been approved by us as conforming to our specifications and quality standards and/or from a supplier not yet approved in writing by us, you must first notify us in writing and must submit to us sufficient information, specifications, and samples so that we can determine whether the item or service complies with System standards or the supplier meets our supplier criteria. Additionally, we will charge you a review fee for our review of each new supplier submitted for our approval (See Item 6). The fee depends upon the estimated time it will take our staff to evaluate the item submitted for approval. We will provide you with written approval or disapproval within a reasonable time period (typically thirty (30) days) after you have supplied all the information we request from you. You may not use any supplier, service, product, supply, material, furnishing or equipment that we have not approved.

Supplier approval will depend on service or product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service, and/or a supplier's willingness to pay us or our affiliates for the right to do business with our System. We may revoke our approval if, in our sole judgment, the supplier fails to continue to meet our criteria and specifications.

Nothing contained in this Disclosure Document or in the Franchise Agreement requires us to approve an inordinate number of suppliers of a given item or approve suppliers, which, in our reasonable judgment, would result in higher costs to our franchisees or prevent, in our sole judgment, our effective and economical supervision of suppliers.

#### Approved Office Location

You must operate your Pink Zebra Moving business from a leased office space located within the Protected Territory, which meets our standards and specifications. You will need approximately one thousand (1,000) to two thousand (2,000) square feet, which includes office space and storage space for the equipment and inventory. A single office may be used for multiple territories.

We must review and approve any proposed office location, as well as any lease associated with the proposed location, prior to ~~you~~your entering any lease for the proposed location. We must approve your location and lease terms before you sign a lease for a business location. We will condition our approval of your lease upon, among other conditions, you and your landlord's signing of a conditional assignment of lease (which is attached to the Franchise Agreement as Exhibit I),

through which your landlord grants us the rights to assume your rights and obligations under the lease in the event that you breach your lease agreement or your Franchise Agreement is terminated or expires.

You must secure the Approved Location within one hundred twenty (120) days of executing the Franchise Agreement if you have not already obtained our approval prior to executing the Franchise Agreement. We may provide you with standards and specifications for the design and layout of the premises of the Approved Location.

### Insurance

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverages that we periodically require. Modifications in required insurance coverages will be included in the Confidential Operations Manual. We may regulate the types, amounts, terms and conditions of insurance coverage required for your Franchised Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or permissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims. All liability policies will list us as an additional insured entity.

You currently must carry and maintain in force, the following minimum insurance coverages: (1) comprehensive general liability insurance and comprehensive product liability insurance against claims for bodily and personal injury, death, and property damage caused by or occurring in conjunction with the operation of your Franchised Business or your conduct of business pursuant to the Franchise Agreement under one or more policies or insurance containing minimum liability coverage of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate; (2) Workers' Compensation as well as any other insurance as may be required by statute or rule in the state(s) in which your Franchised Business is located or operates; (3) automobile liability, including coverage of owned, non-owned and hired vehicles of One Million Dollars (\$1,000,000) per occurrence, and these automobile liability amounts must be maintained for each service vehicle; (4) cargo liability insurance that meets then-current Federal Law requirements for a moving company and (5) surety bond covering at least Twenty-Five Thousand (\$25,000) in theft damages.

In addition to the insurance requirements, we recommend but do not require that you obtain the following additional insurance: (1) general casualty insurance including fire and extended coverage, vandalism, theft, ~~burglary~~burglary, and malicious mischief insurance for the replacement value of your Franchised Business and its contents; (2) Employer Practices Liability Insurance; and (3) an umbrella policy.

You must maintain all required policies in force during the entire term of the Franchise Agreement and any renewal terms. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks,

changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us (and, if we request, our directors, ~~employees~~employees, or members) as an additional insured and must provide us with thirty (30) days' advance written notice of any material modification, cancellation or expiration of the policy. We reserve the right to obtain from your insurance carrier(s) periodic reports of losses (such as monthly, quarterly and/or annually), and you must authorize your insurance carrier(s) to provide us with these reports.

You shall further carry any additional insurance covering such additional risks or providing higher limits as we may reasonably request.

If you at any time fail or refuse to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence thereof, we at our option and in addition to our other rights and remedies, may, but shall not be required to, obtain such insurance coverage on behalf of you, and you shall promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to us, on demand, any costs and premiums incurred by us plus an administrative fee of fifteen percent (15%) of that cost (See Items 7 and 11).

#### Advertising by Franchisee

You must pay us a Local Marketing Services Fee of greater of two thousand and five hundred dollars (\$2,500) or two and one-half cents (\$0.025) times the number of ~~2022 census~~2023 census total population in your Protected Territory divided by twelve (12) for the first four (4) months and thereafter, the greater of one thousand five hundred dollars (\$1,500) per month or two and one-half cents (\$0.025) times the number of ~~2022 census~~2023 census total population in your Protected Territory divided by twelve (12). You must also pay the third-party administration fee which is currently one thousand five hundred dollars (\$1,500) per month and is set by the vendor. Costs for the Local Marketing Services Program include the cost of paid digital media, less the cost of third-party marketing services, expenses, overhead and profit.

You may not engage in any advertising program or use any other advertising, including local marketing placed on television, print, digital, social ~~media~~media, or any other media (including but not limited to websites, online advertising, social media marketing or presence, digital marketing and sponsorships), or prepare or use any marketing materials, unless you obtain written approval from us. All references to advertising shall include, but shall not be limited to, electronic advertising, whether by internet, social media platforms or otherwise.

#### Computer Equipment

You may not use any hardware and/or software in the operation of the Pink Zebra Moving franchise without our prior approval, which approval will not be unreasonably withheld (See Item 11- Minimum Hardware Specifications).

#### Rebates

We and our affiliates reserve the right to receive rebates or other consideration from suppliers in connection with your purchase of trademarked merchandise, goods, ~~products~~products, and services

as described in this Item 8 as well as in connection with any future purchase of any goods, products, or services. Usually, these payments are calculated on an amount based on products sold. We will retain and use such payments as we deem appropriate or as required by the vendor.

We may receive rebates or other consideration from any other required or approved suppliers. We do derive immediate revenue from items we sell directly to you by charging you more than our ~~cost~~costs.

Proportion of Required Purchases/Leases to All Purchases/Leases

As a franchisee you will be required to use our then current approved vendors, ~~suppliers~~suppliers, and manufacturers. We estimate that your required purchases will account for one percent (1%) to ten percent (10%) of all purchases and leases necessary to establish the franchised business and approximately five percent (5%) to fifteen percent (15%) of all purchases and leases necessary to operate the franchised business after opening.

We were formed August 14, ~~2020~~2020, and did not begin franchising until 2022. During the year ~~2023~~2022 we collected fees for our required Marketing, Scheduling Software, National Sales Center and Telephone / Communications vendors, and paid to them the amounts illustrated in the chart below:

<u>Fee Description</u>	<u>Fee Collected</u>	<u>Amount Paid to Vendors</u>
<u>Marketing Fee</u>	<u>One hundred and forty-five thousand, two hundred dollars (\$145,200)</u>	<u>Ninety-eight thousand, thirty-eight dollars and thirty-four cents (\$98,038.34)</u>
<u>Scheduling Software Fee</u>	<u>Thirty-eight thousand, five hundred and seventy-seven dollars (\$38,577)</u>	<u>Thirty-four thousand, two hundred and two dollars (\$34,202)</u>
<u>National Sales Center Fees</u>	<u>Seventeen thousand, one hundred and ninety-four dollars (\$17,194)</u>	<u>Thirty-one thousand, six hundred and ninety-four dollars (\$31,694)</u>
<u>Telephone / Communications Fee</u>	<u>Nineteen thousand, four hundred and fifty-seven dollars and twenty-five cents (\$19,457.25)</u>	<u>Twenty-one thousand, two hundred and twenty-five dollars and thirty-five cents (\$21,225.35)</u>

~~two thousand seven hundred and sixty seven dollars and twenty six cents (\$2,767.26) in fees for our required vendor, SmartMoving and paid the vendor two thousand three hundred thirty seven dollars (\$2,337.00).~~

Negotiated Prices

We may negotiate prices for numerous products for the benefit of the System but not on behalf of individual franchisees. Currently, there is no purchasing or distribution cooperative, but

we reserve the right to create a cooperative and require you to participate. We may receive volume discounts for the System which we will pass through to our franchisees. Beyond these discounts, we do not provide material benefits to you because of your use of approved suppliers.

**ITEM 9**  
**FRANCHISEE’S OBLIGATIONS**

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

<b>OBLIGATION</b>		<b>SECTION IN FRANCHISE AGREEMENT</b>	<b>DISCLOSURE DOCUMENT ITEM</b>
a	Site selection and acquisition/lease	§ 2 and 4	Items 4 and 10
b	Pre-Opening purchases/leases	§ 4, 5 and 6	Items 7, 8 and 11
c	Site development and other pre-opening requirements	§ 2, 4, 5 and 6	Items 6, 7 and 11
d	Initial and ongoing training	§ 3, 4 and 6	Items 5, 7 and 10
e	Opening	§ 2, 3, 4, 5, 7, 11 and 15	Item 10
f	Fees	§3, 5, 6, 7, 12, 14	Items 5, 6 and 11
g	Compliance with standards and policies/Operation Manual(s)	§ 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15	Items 10 and 15
h	Trademarks and proprietary information	§ 5, 7, 8, 11 and 12	Items 7, 10 and 16
i	Restrictions on products/services offered	§ 10 and 11	Items 15 and 16
j	Warranty and customer service requirements	§ 1 and 4	Items 5 & 7
k	Territorial development and sales quotas	§ 4	Item 12

<b>OBLIGATION</b>		<b>SECTION IN FRANCHISE AGREEMENT</b>	<b>DISCLOSURE DOCUMENT ITEM</b>
l	Ongoing product/service purchases	§ 10	Item 8
m	Maintenance, appearance and remodeling requirements	§ 7 and 10	Items 11 and 17
n	Insurance	§ 10 and 12	Items 6 and 8
o	Advertising	§ 6, 7, 9, 10 and 12	Items 6 and 11
p	Indemnification	§ 17	Item 6
q	Owner's participation / management / staffing	§ 1, 4 and 6	Items 11 and 15
r	Records/reports	§ 3, 4, 5, 10, 11, 12 and 13	Items 6, 11 and 17
s	Inspections/Audits	§ 5 and 13	Items 6, 11 and 17
t	Transfer	§ 14	Item 17
u	Renewal (Successor Agreement)	§ 3	Item 17
v	Post termination obligations	§ 15 and 16	Item 17
w	Non-competition covenants	§ 9, 16 and 18	Item 17
x	Dispute Resolution	§ 18	Item 17
y	Liquidated Damages	§ 16	Item 17
z	Personal Guaranty	§ 1.5 f. and Exhibit One B Exhibit J	Items 10 and 15 and Exhibit J
aa	Spousal Consent	§ 19 and Exhibit One B	Item 15

## ITEM 10

### FINANCING

We do not offer direct or indirect financing. We do not guarantee your loans, notes, lease, or other obligations.

## ITEM 11

### FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

#### Pre-opening Assistance

Before you begin operating your business, we will:

(i) Approve the site for your office location. You must submit the location for our approval within one hundred twenty (120) days of signing your agreement and be conducting business at the approved location within two hundred and forty (240) days or your franchise will be terminated without any refund of fees or expenses. We do not own any real estate locations that we would lease to you and are not responsible for locating your business site. (Franchise Agreement Section 4);

In determining whether or not to approve any site you may propose for the franchised business, we will consider such factors as the number of comparable contiguous businesses, competition, zoning, general location, traffic patterns, safety, size, layout and other physical characteristics, and available square footage.

(ii) Provide to you lists of approved and suggested manufacturers, suppliers and distributors and goods, inventory, fixtures, equipment, and materials you will need to operate the Franchised Business (Franchise Agreement Section 10). Your signage must incorporate the specific letter style/color and curvature associated with our logo (Franchise Agreement Section 7). Other than providing the above information, we do not provide any other assistance with respect to these items;

(iii) Provide you digital copies of the Operating Manual and other documents containing reasonable, mandatory and suggested specifications, standards, operation rules established from time to time by us and information relative to your obligations and the operation of your franchise business (Franchise Agreement Section 10);

(iv) Provide an initial franchisee training program to assist and guide you in operating your franchise (Franchise Agreement Section 6);

(v) Assist you in establishing suggested pricing for your franchise (Franchise Agreement Section 8);

- (vi) Provide you with a dedicated phone number and email accounts which you must use in connection with your Pink Zebra Moving business and in all marketing items (Franchise Agreement, Paragraph 7.11).

Marketing and Advertising Fund

We will maintain a Marketing and Advertising Fund (the “Fund”) into which all franchisees will contribute one percent (1%) of Gross Revenue semi-monthly. Several services to you are supported by this Fund and the amount of your fee may reasonably be increased in response to rising costs. Semi-monthly payments to the Fund will be made through our electronic funds transfer system described in Item 6.

Company owned units will not contribute to the Fund. The Fund will be administered by us and there will be annual unaudited financial statements accounting for the placement of all Fund fees. We will not receive any payment or fee for providing services to the Fund. Surplus funds at the end of any year will be carried over into the following year. Some advertising media will be generated by ~~us~~ and other items may be produced by agencies selected by us. The Fund will be used to pay all costs of the National Website described below and for the administration of the Fund including, but not limited to, all personnel salaries related to the Fund and all costs relating to design, directing, writing, preparing, producing and placing all electronic (internet) and marketing and advertising materials of any nature to promote and/or enhance the identity and image of the Pink Zebra Moving franchise system, its franchisees, services, products or for any other purpose related to Pink Zebra Moving or its locations, whether franchised or owned by us or by affiliated persons or entities. Upon your written request, we will make available to you an unaudited statement setting out the fund income and expenses for the calendar year.

We have the absolute right to determine how and where the Fund money will be spent. Marketing will not be designated for the benefit of any specific franchisee, but for the benefit of the System as a whole as we may determine from time to time. The Fund supports our National Website. We will benefit from contacts by new franchisee candidates through this website, and our franchise opportunity information and application pages will be present within the site. As with all other advertising materials, stationery and business cards, the site will also contain references to the fact that “Franchises Are Available” and that “Each Pink Zebra Moving® Franchise Is Independently Owned and Operated.”

For the fiscal year ending December 31, 2023, Marketing and Technology Funds collected amounted to approximately \$25,169.24, of which \$23,866.87 was spent. The purpose of the Marketing and Technology Fund contributed by franchisees was:

<u>A. Production Website</u>	<u>10.26%</u>
<u>B. Photography</u>	<u>28.15%</u>
<u>C. Profit Keeper</u>	<u>12.48%</u>
<u>D. SEO</u>	<u>31.10%</u>
<u>E. Blogging</u>	<u>18.00%</u>

~~We were formed August 14, 2020 and did not begin franchising until 2022. During the calendar year ending 2022 there were no Marketing and Technology Funds collected or expended.~~

### Advertising Council

We will have an Advertising Council comprised of representatives of our business, our affiliates, our corporate-owned ~~loactions~~locations, and the system-wide franchise network. The Advertising Council will have between four (4) and ten (10) members. There is no current Advertising Council. We believe that an Advertising Council will be formed before the end of ~~year~~the 2024 calendar year-2023. The Advertising Council will meet to discuss matters concerning the Marketing and Advertising Fund. We will consider the Advertising Council's recommendation, but we have the sole right to accept or reject its recommendations. At least one member from our corporate office will serve as a member of the Advertising Council. We have the right to change, modify or dissolve the Advertising Council.

### Franchisee Location Finder

Web visitors will encounter the National Website which will encourage them to select the appropriate location from a map.

### Local Marketing Services

In addition to the Marketing and Advertising Fund Fee, and as described in Item 6 and 8, you must spend the greater of two thousand and five hundred dollars (\$2,500) or two and one-half cents (\$0.025) times the number of ~~2022 census~~2023 census total population in your Protected Territory divided by twelve (12) for the first four (4) months and thereafter, the greater of one thousand five hundred dollars (\$1,500) per month or two and one-half cents (\$0.025) times the number of ~~2022 census~~2023 census total population in your Protected Territory divided by twelve (12). You must also pay the third-party administration fee which is currently one thousand five hundred dollars (\$1,500) per month and is set by the vendor. We use third-party vendors to implement Local Marketing Services.

### Pre-open Marketing Kit and Year One Local Market Awareness Campaign

You will pay us five thousand dollars (\$5,000) upon signing the Franchise Agreement. This cost covers one (1) pre-open marketing kit, including print and promotional materials and pre-open marketing plan designed by our internal marketing team, and a twelve (12) month Meta Local Market Awareness Campaign. We use third-party vendors to implement Meta Local Market Awareness Campaigns.

### Advertising Cooperatives

As of the date of this disclosure document, we have not established any local or regional advertising cooperatives ("Co-op Advertising Region"). If we do so in the future, you must participate in the Co-op Advertising Region for the region in which your Protected Territory is located. We have the absolute right to exempt certain franchisees from participation. We will notify

you in writing if you must join a Co-op Advertising Region and the initial amount of the contributions to the Co-op Advertising Region. We will determine the area of each Co-op Advertising Region.

Each Co-op Advertising Region must comply with the then current governing cooperative agreement. A copy of the governing documents (if one has been established) is available upon request. At all meetings of the Co-op Advertising Regions, each participating franchisee is entitled to one vote per office location that franchisee operates in the Co-op Advertising Region and we and our affiliates are entitled to one vote for each company-owned or affiliate-owned office in the Co-op Advertising Region or such other vote as may reasonably be determined by us.

We will determine your minimum contribution to the Co-op Advertising Region. However, each Co-op Advertising Region may increase the contribution by majority vote. We or our ~~affiliate~~affiliates, as applicable, will contribute to the Co-op Advertising Region for each of our company or affiliate-owned Pink Zebra Moving businesses located in the Co-op Advertising Region on the same basis as franchisees.

Each Co-op Advertising Region will decide the use of funds available to it for advertising or marketing, subject to our written approval. Any disputes (other than pricing) arising among or between you, other franchisees, and/or the Co-Op Advertising Region may be resolved by us. Our decisions will be final and binding on all parties. No Co-op Advertising Region may ~~appoint,~~ or appoint or pay from the funds collected by the Co-op Advertising Region fees or costs of, any advertising agency or buying group without prior written consent. Co-op fees will be credited to required local marketing services.

#### Franchise Advisory Council

We reserve the right to form a Franchisee Advisory Council for the purpose of exchanging ideas and problem-solving methods, advising us on expenditures for System-wide advertising, and coordinating franchisee efforts (an "Advisory Council"). In the event established and you are elected and ~~accept~~accepted, you must participate actively in the Advisory Council and participate in all Advisory Council meetings as we require. We reserve the right to prepare and amend the governing documents for the Advisory Council from time to time as we deem necessary, and we will determine the topic areas to be considered by the Advisory Council. The Advisory Council shall act in an advisory capacity only, and we shall have the right to form, change, or dissolve an Advisory Council at any time, as we deem necessary in our sole discretion (Franchise Agreement, Paragraph 12.6).

#### Computer Hardware and Software

We have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by you, including without limitation: (a) a compatible computer system that complies with our standards and specifications and is capable of operating financial and other business software; (b) printers and other peripheral hardware or devices; (c) archival back-up systems; and (d) Internet access mode and bandwidth (collectively, the "Computer System") (Franchise Agreement, Paragraph 10.6).

We also have the right, but not the obligation, to develop or have developed for us, or to designate: (a) computer software programs that you must use in connection with any component of

the Computer System, including proprietary software (collectively, the "Required Software"), which you must license from us; (b) updates, supplements, modifications, or enhancements to the Required Software, which you must install at your expense; (c) the tangible media upon which you record data; and (d) the database file structure of the Computer System. At our request, you must purchase or lease, and thereafter maintain, the hardware necessary to support Required Software. You agree, at your own expense, to keep your Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to your Computer System or Required Software as we direct from time to time in writing. There currently are no maintenance and support contracts for your Computer System, but we reserve the right to require them at any time (Franchise Agreement, Paragraph 10.6).

In order to properly service your franchise and for word processing, spreadsheets, internet access and general accounting and business operations purposes you must obtain a computer, computer software, fax and printer to use in your business with the following minimum specifications: 8th generation Intel Core i5 processor; Windows 10 operating system (or MAC equivalent); 8 GB RAM, 500 GB SSD hard drive and a 17 inch monitor; a modem; and, a combination printer/scanner/fax machine. The equipment will cost approximately one thousand four hundred dollars (\$1,400) (this amount is included in Item 7 initial investment estimate), ~~unless~~ unless you elect certain upgrades. We do not have any obligation to provide ongoing maintenance, repairs, ~~upgrades~~ upgrades, or updates of your equipment. We may modify the specifications and the components of the Computer System from time to ~~time, and time~~ and may require you to obtain specified computer hardware and/or software, including a license to use proprietary software developed by us or others, as well as service and support contracts for the hardware and software. We may require that your Computer System be programmed to automatically transmit data and reports about the operation of the Pink Zebra Moving Business to us (Franchise Agreement, Paragraph 10.6).

We have the right to independently access, monitor, and retrieve any data you input or collect electronically, including access to your Computer System or for any other purpose we deem necessary. You must deliver to us all access codes, static internet protocol ("IP") addresses and other information to facilitate our access to the data within thirty (30) days of opening the Pink Zebra Moving business (Franchise Agreement, Paragraph 10.6).

We are the sole owners of all databases, lists, templates, programs and any other software components that have been created and/or customized by us using the Computer System and/or Required Software. In the future, we may customize or develop Proprietary Software and create programs that conduct other activities. You will be required to obtain the computer hardware that is necessary to implement the Proprietary Software and comply with all our specifications and standards as provided in the Confidential Operations Manual. This Proprietary Software will be our proprietary product and the information collected from it will be our confidential information (Franchise Agreement, Paragraph 10.6).

You are required to participate in any System-wide computer network, intranet system, or extranet system that we implement and may be required to use the computer network, intranet system, or extranet system to, among other things: (i) submit your reports due under the Franchise Agreement

to us on-line; (ii) view and print portions of the Manuals; (iii) download approved local marketing materials; (iv) communicate with us and other System franchisees; and (v) to complete initial or ongoing training as we designate. You must use the computer network, intranet system or extranet system that strictly complies with the standards, protocols, and restrictions provided in the Confidential Operations Manual, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, ~~derogatory~~~~derogatory~~, or defamatory statements. You will be solely responsible for any licensing and/or maintenance fee(s) associated with any intranet or extranet described above (Franchise Agreement, Paragraph 10.6).

#### Scheduling Software

We currently require you to use ~~SmartMoving-Supermove~~ as the scheduling, booking, pricing, logistics and customer relations management software for your Pink Zebra Moving business. Only one (1) account is required per office if we approve you to purchase more than one (1) franchise territory. The current cost is three hundred ninety-nine dollars (\$399) per month and is owed to us on the first (1<sup>st</sup>) business day of each month. ~~SmartMoving-Supermove~~ is owned by an entity outside of our control and may decide to change their prices, business practices or access to the product in the future. We have the right to increase your monthly Scheduling Software Service fee in the event ~~SmartMoving-Supermove~~ or another third-party software vendor changes its price to us. We do not have any obligation to continue using ~~SmartMoving-Supermove~~ and may decide to use another third-party vendor at some point during the term of the Franchise Agreement. In the future, we may develop an internal software product that performs similar tasks as ~~SmartMoving-Supermove~~ and you will be required to use our internal software product if we develop such a product. We may offer a different Scheduling Software Service fee that is higher than our current price if we choose to require you to use our internal software product.

#### QuickBooks Accounting Application

We require you to use QuickBooks as the accounting application for your franchise. The software is owned and developed by Intuit and can be ~~setup~~~~set up~~ as an online service. You must comply with the requirements and standard processes to maintain accurate and up to date accounting records. You will provide monthly and other reports as determined by us, including updating master file records to comply with changes in accounting practices. As with all computer and internet information we have complete access to all of the information at all times.

The accounting support we provide includes responses to questions related to the accounting standards and general use of the software. The technical support for the software is provided by the QuickBooks hosting vendor.

#### CareerPlug Recruiting Application

We require you to use CareerPlug as the primary employee recruiting application for your franchise. The software can be ~~setup~~~~set up~~ as an online service. Currently, we have negotiated a preferred rate of ~~four-five hundred and ninety-hundred dollars~~~~five dollars~~ (\$~~595~~~~400~~) per year. However, the yearly rate may increase over time and is solely determined by CareerPlug. As with all computer and internet information we have complete access to all of the information at all times.

### Our Access to Your Systems

In order to maintain high quality standards, we will reserve the right to audit and monitor each of our franchisee's locations at any time through physical or electronic access to all information of your computer systems and information referenced in this Item 11 and we reserve the absolute right to access and use this information and data for our benefit and for the benefit of the franchise system as a whole. We have the additional right to use your franchise monthly Gross Revenue information in our Franchise Disclosure Document as well as posting your name and financial revenue on our company revenue ranking. All financial information you create and provide to us belongs to Franchisor. We have no plans to do ~~so, but~~ so but may in the future require you to purchase different or other software or hardware. In that event, you will receive written notification and be given a reasonable time (not to exceed sixty (60) days) in which to purchase the required software or hardware (Franchise Agreement, Section 12).

### Confidential Operating Manual

We will provide you access to a digital copy of our Confidential Operations Manual ("Manual"), which contains mandatory and suggested specifications, ~~standards~~ standards, and operation procedures as we prescribe and may also include information relative to your Franchise Agreement. The Manual may be amended or modified from time to time to reflect changes in our System. You must keep the Manual confidential and current, and may not copy, duplicate, record or otherwise reproduce any part of the Manual. The table of contents for the Manual is listed in Exhibit "D". There are 237 pages in the Manual.

### Time to Open

You must be open for business to the public within two hundred forty (240) days from the signing of the Franchise Agreement, subject to unavoidable delay or failure to perform [Force Majeure]. You may not open the franchise for business until: (1) we approve the office location of the franchise which must be developed according to our specification and standards; (2) pre-opening training of you and your personnel has been completed to our satisfaction; (3) the Initial Franchise Fee for a single franchise or Initial Franchise Fee for multiple franchises and all other amounts then due to us have been paid; (4) we have been furnished with copies of all required insurance policies, or such other evidence of insurance coverage and payment of premiums as we request; and (5) we have received signed counterparts of your lease and all other required documents pertaining to your Site.

### Initial Franchisee Training

We provide, prior to your opening, a mandatory initial training course before you begin to operate the Franchised Business. Training consists of on-the-job and classroom sessions for a period of seventy-two (72) hours. Training will consist of approximately four (4) days in Jefferson County, Alabama or as we may designate, and five (5) days in Franchisee's office or within Franchisee's territory. While you may have additional representatives of your Pink Zebra Moving business present during your Initial Franchisee Training, it is mandatory that the majority owner and/or operating partner complete all seventy-two (72) hours of the Initial Franchisee Training.

### New Franchisee Training

Initial Training Schedule	Classroom-Corporate (Hours)	On the Job-Your Territory (Hours)	Classroom Location
Introductions: History/Future of the Pink Zebra Moving Brand	1	<del>10</del>	Birmingham, AL
Pre-Launch Manual Review/Questions	1	1	Birmingham, AL
Personnel/Human Resources/Employee Experience	<del>24</del>	1	Birmingham, AL
Payroll	1	0	Birmingham, AL
Lead Generation/Lead Conversion	<del>41</del>	<del>40</del>	Birmingham, AL
Scheduling Software: Use and Reporting	<del>43</del>	<del>21</del>	Birmingham, AL
Daily Office Operations: Pricing, Scheduling, Inventory Control, Daily Tasks	<del>24</del>	<del>82</del>	Birmingham, AL
Daily Field Operations: Safety, Logistics, Support, Estimates	4	<del>21</del>	Birmingham, AL
Insurance, Vendors, Materials/Supplies	<del>12</del>	1	Birmingham, AL
Basic/Advanced Moving Systems/Packing Process	<del>75</del>	<del>1130</del>	Birmingham, AL
Commercial Truck Management/Truck Safety/Truck Purchases or Leases	<del>12</del>	1	Birmingham, AL
Customer Experience/Customer Service	<del>22</del>	<del>61</del>	Birmingham, AL
Accounting/Unit Level Economics/KPIs	1	0	Birmingham, AL
Final Review and Open Questions/Answers	1	<del>21</del>	Birmingham, AL
<b>TOTAL HOURS</b>	<b>32</b>	<b>40</b>	

**Notes:**

- (1) We will provide this initial training at no additional charge to you and one other person. You are responsible for any travel and living expenses that you and your employees (if applicable) incur in connection with any training that we offer, including any applicable employee wages incurred during training. We may increase, decrease and/or adjust the above training program to the extent that we deem appropriate. The subjects taught and the time periods allocated for each subject may vary based on the experience of the people being trained.
  
- (2) Our training managers and their experience within the industry and with us are listed below, but we reserve the right to substitute instructors and use various of our and our affiliate's personnel, as well as existing franchisees, to provide instruction. Our training managers may utilize other employees to assist them with all aspects of training. Failure to complete initial training to our satisfaction within the applicable period may result in termination of the Franchise Agreement.

## Training Program

INSTRUCTOR	SUBJECTS TAUGHT	YEARS OF EXPERIENCE IN THE INDUSTRY
Ron Holt	Customer Experience, Brand History, Business Management	<del>32</del>
Jim McDaniel	Pricing, Scheduling, Daily Tasks	20
Jim McDaniel	Moving Systems, Commercial Truck Management, Materials/Supplies	22
<del>Cole Latham</del> <del>Lauren Bowen and Ron Holt</del>	Financial Education, Accounting, Key Performance Indicators	<del>39</del>

- (3) The business experience of each of our instructors is further set out in Item 2 of this disclosure document. Manuals will be used as our primary training material. Moving systems and commercial truck management training will be instructed using ~~on-the-job~~ on-the-job training techniques.
- (4) All of the above specifications and descriptions are subject to change as we may determine the need to do so.

### Other Conference/Training/Educational Events

While we are not required to do so, from time to time we may schedule training seminars and/or initiate our National Conference. You must attend at least one required conference or National Conference. The conference may be scheduled at our company headquarters in Jefferson County, Alabama or at a different location of our choosing. Failure to attend will result in a penalty of two thousand dollars (\$2,000). Conferences will not exceed five (5) days in length.

During the operation of your business, we will, upon your request and at your expense, and to the extent we have personnel available, send one or more members of our staff to the franchised business to provide additional follow-up assistance and training (Franchise Agreement – Section 6).

### Website and Internet Presence

You must have and maintain adequate hardware and software in order to access the Internet at the bit speed we require from time to time. We have the right, but not the obligation, to establish and maintain a website that provides information about the System and the products and services offered by Pink Zebra Moving franchises. If we exercise our right to create such a website, we will have sole discretion and control over it. We also have the right, but not the obligation, to create interior pages on our website(s) that contain information about your Pink Zebra Moving business and other Pink Zebra Moving locations. If we do create such a page, we may require you to prepare all

or a portion of the page for the Pink Zebra Moving business, at your sole expense, and may require you to use a template that we provide (Franchise Agreement, Paragraphs 12.2.1 and 12.2.2).

Unless you obtain our prior written consent, you are prohibited from establishing or maintaining a separate website, or otherwise maintaining a splash page or landing page or other presence on the Internet through any social networking site in connection with the operation of your Pink Zebra Moving business, including without limitation, Facebook, Twitter, LinkedIn, YouTube, Pinterest, Instagram, Snapchat, or any other social media and/or networking site that uses any variation of the Proprietary Marks or references the System. If you seek and obtain our approval to create a separate website or other web presence, you must: (i) establish and operate the website according to our standards and policies as we describe in the Confidential Operations Manual or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify your site(s). We may require you to update the content of any social media and/or networking site at the times and in the manner which we decide (Franchise Agreement, Paragraph 12.2.3).

We have the right to modify our policies regarding both our and your use of Internet websites as we deem necessary or appropriate for the best interests of the System (Franchise Agreement, Paragraph 12.2.4). We are currently the sole registrant of the domain name [www.pinkzebramoving.com](http://www.pinkzebramoving.com) and we will be the sole registrant of any other domain names we decide to register in connection with the System in the future. You are prohibited from registering any domain name that contains words used in, or similar to, any trademark or service mark owned or used by us or our affiliate, or any colorable variation thereof (including any abbreviation, acronym, phonetic variation or visual variation) (Franchise Agreement, Paragraph 12.2.5).

#### Employee Uniform and Appearance Requirements

Every Pink Zebra Moving employee is a reflection of our franchise system and each must project a professional image to our customers nationwide. Each of your employees must maintain high standards of personal cleanliness and grooming to present a consistent and professional appearance while representing and/or performing services on behalf of your Pink Zebra Moving franchise. The specific uniform and appearance requirements for your movers, drivers, packers, office staff, and other employees are more specifically described in our Operations Manual. To ensure the protection of the Pink Zebra Moving brand through the use of standard apparel and appropriate grooming, we have an enforcement procedure to maintain these requirements: If we discover one or more instances of non-compliance with the personnel uniform and/or appearance requirements, we will impose a liquidated damages charge of two hundred dollars (\$200) per violation (i.e. if we observe 5 of your employees out of uniform, the monetary charge would be a total of one thousand dollars (\$1,000) to cover, among other things, the on-going expense of monitoring your franchise to confirm when it comes into compliance as we determine.

#### Safety, Appearance and Maintenance of Branded Vehicles

The vital importance of vehicle safety and appearance requires that we have an effective enforcement policy that underscores the serious nature of maintaining trucks and all other vehicles that operate within our franchise system. Safety and other legal requirements are described in federal,

state, and local trucking and other laws and regulations, which you are obligated to know and abide by at all times. We are not required to teach or instruct you regarding any of these laws and/or regulations, although during the course of your training, you will be provided with information regarding them. Even so, it will be your responsibility and legal obligation, as an independent businessperson, to know and comply with all federal, state, and local trucking and other laws and regulations. To protect the franchise system's reputation, our representative may observe all Pink Zebra Moving vehicles. We will provide you with a ~~time frame~~timeframe for addressing vehicle-related safety and appearance issues that we discover. The vehicle safety and appearance requirements may be more specifically described in the Franchise Agreement and/or in our Operations Manual. If a repair or other violation is not cured in the prescribed ~~time frame~~timeframe, we can impose a reasonable liquidated damage on a per-incident, per-day basis until the repair or other violation is cured, as we determine in our sole discretion based on the evidence we have. Liquidated damages will be assessed in accordance with the following procedure, which procedure may be modified if we decide it appropriate to do so:

- If our representative observes a vehicle safety and/or appearance violation, you will be given written notice of the violation, and will be ~~provided~~provided with a reasonable time period to cure the violation.
- If the violation is not cured as we determine in the required time frame, you will be notified in writing that you have failed to timely cure a violation and we will impose a liquidated damages charge of one thousand dollars (\$1,000) per day per vehicle.

The vehicle safety and appearance requirements must be satisfied before you transfer your franchise. Failing to have all your vehicles meet safety and appearance standards will generally result in the postponement of a transfer of your franchise.

### Other Services

We will provide the following services as we may from time to time determine the need to do so: newsletters, teleconference, coaching, and webinars; assistance in marketing and sales procedures and methods; assistance in pricing of services; and information on new methods and new services.

Although not required to do so under the Franchise Agreement, we may provide other supervision, ~~assistance~~assistance, or services during the operation of the franchise business, including providing you with promotional materials and bulletins on new products or promotional techniques, as we may determine as our absolute right.

At your request and for an additional fee we may visit your franchise business for the purpose of consultation, assistance, and guidance in all aspects of the operation and management of the franchise business.

We may furnish you with such assistance in connection with the operation of the franchised business as is reasonably determined to be necessary by us from time to time.

## ITEM 12

### TERRITORY

#### Approved Location

You must operate your Pink Zebra Moving business from an Approved Location, which must be a leased commercial office space. Your Approved Location must contain a minimum of one thousand (1,000) to two thousand (2,000) square feet of secure storage for the office, equipment, ~~inventory~~inventory, and personnel. You may however elect to secure a larger space with additional warehouse space, extra storage space and overnight secured truck parking space. Your Approved Location must be within the Protected Territory granted to you under the Franchise Agreement. You may not relocate your Pink Zebra Moving business without our written consent, which we will not unreasonably withhold provided that the new location meets our then-current criteria for an Approved Location.

#### Protected Territory

We will grant you a Protected Territory within which to develop your Pink Zebra Moving business.

The size of your Protected Territory may vary from other System franchisees based on the location and demographics surrounding your Premises. A single Protected Territory will consist of three hundred thousand (300,000) to six hundred thousand (600,000) total ~~2022 census~~2023 census population. The demographics, geography, and other factors we use in defining your Territory are based upon information provided to us by third-party sources that we select in our sole discretion. The boundaries of your Protected Territory may also depend upon major topographical features which clearly define a contiguous area. (Item 5) Subject to this grant of minimum population and/or area, we reserve the absolute right to adjust the territorial boundaries as we determine to be necessary.

Our approval of a Protected Territory is not a representation or warranty that your franchise will be profitable. Approval of your office site is intended only to indicate that the proposed office site meets our minimum criteria for identifying sites. You acknowledge that our approval or disapproval of a proposed office site does not impose any liability on us.

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.

While you will not receive any exclusive rights to provide our Approved Products and Services within your Protected Territory, it will be protected in that we will not sell another Pink Zebra Moving business or allow another Pink Zebra Moving franchise to provide Approved Products and Services within your Protected Territory excepted as stated below. The National Sales Center will assign appointments based on several factors including your willingness or ability to perform these appointments in your Protected Territory, but appointments are not guaranteed to be assigned to you.

You may not solicit, advertise or attempt to service or service any customers outside of your

Protected Territory without our prior written consent (which may be withheld for any reason). If you solicit, ~~advertise~~~~advertise~~, or sell products or services outside of the Protected Territory without our prior written consent, in addition to all other rights and remedies available to us for a breach of this agreement, we will have the right to terminate the Franchise Agreement. If you request and we approve your request in writing to service a customer outside your Protected Territory or to service an area outside your Protected Territory and subsequently withdraw our approval or award a franchise to another franchisee whose Protected Territory includes the territory which we have allowed you to service, you must immediately discontinue servicing the area or any customers outside your Protected Territory. Any solicitation of customers outside your Protected Territory will be a default of your Franchise Agreement. Additionally, you must transfer all information regarding any customer located outside your Protected Territory to us. You will receive no compensation for cessation of services or delivery of information we require from you and your failure to comply with our written notice requiring cessation or solicitation of services outside your Protected Area is a default under the Franchise Agreement. Further, you are also required to remit one hundred percent (100%) of all revenue received outside your Protected Territory to the franchisee in whose Protected Territory you serviced after our written notice and if no franchisee is located in the territory, then you will immediately remit one hundred percent (100%) of the revenue you received outside your Protected Territory to us.

Except by separate written agreement with us you do not receive the right to acquire additional franchises.

Minimum Annual Gross Revenue

You must meet and maintain the following minimum level of gross revenue during the term of your Franchise Agreement beginning the date you open your franchised business (your business is required to be operating within two hundred forty (240) days from execution of your Franchise Agreement):

**Minimum Annual Gross Revenue per Protected Territory**

	1 Territory	2 Territories	3 Territories	4 Territories	5 Territories
Months 1-12	N/A	N/A	N/A	N/A	N/A
Months <del>13-</del> <del>24</del>	<del>\$ 285,000</del> <del>300,000</del>	<del>\$200,000</del> <del>356,250</del>	<del>\$165,000</del> <del>445,312.50</del>	<del>\$145,000</del> <del>556,640.63</del>	<del>\$140,000</del> <del>695,800.78</del>
Months <del>25-</del> <del>36</del>	<del>\$500,000</del>	<del>\$300,000</del>	<del>\$235,000</del>	<del>\$200,000</del>	<del>\$180,000</del>
Months <del>37-</del> <del>48</del>	<del>\$600,000</del>	<del>\$350,000</del>	<del>\$265,000</del>	<del>\$225,000</del>	<del>\$200,000</del>
Months <del>49+</del>	<del>\$700,000</del>	<del>\$400,000</del>	<del>\$300,000</del>	<del>\$250,000</del>	<del>\$220,000</del>

If you do not meet the above minimum annual revenue in any period or for any territory, we reserve the right to terminate the Protected Territory or otherwise terminate the Franchise Agreement relating to such territory.

### Rights We Reserve: Franchise Agreement

Your Territory is not exclusive. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You will receive a Protected Territory in which we retain the following rights:

1. Establish, and grant to other franchisees the right to establish Pink Zebra Moving franchises anywhere outside the Protected Territory, on such terms and conditions as we deem appropriate (even immediately outside the border of Protected Territory), but not within the Protected Territory of your Franchise Agreement;

2. We will not open a Competitive Business in the Protected ~~Territory~~Territory, but we may grant franchisees, whether inside or outside the Protected Territory, to operate businesses specializing in the sale of ~~non-competitive~~non-competitive products and services, using some of the Marks and/or all the Marks pursuant to such terms and conditions as we deem appropriate;

3. Operate, and grant franchises to others to operate businesses or provide other services, whether inside or outside the Protected Territory, that do not use any of the Marks;

4. Purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that chain or business' facilities, and to operate, franchise or license those businesses and/or facilities as a "Pink Zebra Moving" operating under the Marks or any proprietary marks or any of their marks following our purchase, merger acquisition or affiliation regardless of the location of the facilities (which you acknowledge may be within the "Protected Territory" or proximate thereto, or proximate to any of your office(s)).

### National Accounts

We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to provide services to any entity that owns or otherwise has responsibility for a building or common services in more than one location whose business is not confined to one particular franchisee's territory, regardless of the contract amount of the services to be performed (a "National Account"). We or any party we may designate shall have the right to offer and sell Approved Products and Services for the National Account within your Protected Territory. Any dispute as to whether a particular customer or account is a National Account will be determined by us, and our determination will be final and binding. You are not entitled to any right to compensation or ~~consideration~~consideration, or work performed by others in your Protected Territory for National Accounts.

### National Sales Center and Servicing Customers Within Your Protected Territory

Under the Franchise Agreement, you must ensure that all incoming phone calls made to your Pink Zebra Moving business are forwarded to our National Sales Center. Once a customer's call is routed to our National Sales Center and we have set up an assignment, we will route that customer's work to you if the customer's location (where the work will be performed) is within your Protected

Territory, unless: (i) we determine that the work is in the nature of an emergency and (a) you do not respond to the work assigned to you within a time period we deem appropriate under the circumstances, or (b) you are not able to perform the required services for the customer within a time period we deem appropriate in our sole discretion; (ii) the work is of such a large scope and/or commercial nature that we determine, in our sole discretion, that your Pink Zebra Moving business is not capable of performing the work requested in accordance with our System standards and specification and/or the prevailing standard of care in the industry for the type of work requested (in which case we may route the work to you and additional franchisees, or other franchisees, or our affiliate, for completion); or (iii) the work is mistakenly routed to another franchisee or affiliate-owned business due to either the customer providing incorrect information to our National Sales Center representative or an inadvertent error on the part of the National Sales Center representative when taking the information from the customer; or (iv) you are not operating your Pink Zebra Moving business in compliance with the Franchise Agreement; or (v) an area that includes your Protected Territory has been subjected to a disaster or catastrophe as determined solely by us.

It is important for us to have the right to route customers from our National Sales Center as described in this Item so that we can protect the integrity and goodwill of our System, and also account for inadvertent mistakes by our customers and our National Sales Center. You do not have any right to share in the Gross Revenue generated from customers that are serviced within your Protected Territory by us or other franchisees for the reasons stated above.

We reserve the right to increase the National Sales Center fee for this service. The costs to provide this service consist of the cost of obtaining and maintaining the equipment and facilities used for the National Sales Center, training costs, administrative functions, salary expenses, other related costs and expenses and profit. We believe the cost of providing the sales center service will be less than the prevailing market rate that you would pay if you tried to obtain a similar service providing comparable quality on an individual basis.

### ITEM 13


#### TRADEMARKS

##### PINK ZEBRA MOVING®

The Franchise Agreement grants you the right to operate using the Pink Zebra Moving® primary Mark. Pink Zebra Franchising, LLC owns the registration for the following principal marks listed on the Principal Register of the U.S. Patent and Trademark Office which was assigned to us on August 13, 2021.

Mark	Registration No.	Registration Date
Pink Zebra Moving	6488079	September 14, 2021

The following marks have been filed for registration on the Principal Register:

Mark	Serial No.	Filing Date
We Make Moving Fun	97560943	August 23, 2022
	97865758	March 30, 2023

There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court; no pending interference, opposition, or cancellation proceedings; nor any pending material litigation involving any the Proprietary Marks. Currently, there is no litigation pending or otherwise that limits our ability to use or license the Marks to you or any other franchisee. There are no other agreements that will affect our right to use, and license you to use, the Proprietary Marks in any manner material to the System and franchises offered in this disclosure document.

Your right to use the Proprietary Marks granted under the Franchise Agreement is non-exclusive, and we retain the right, among others: (i) to use the Proprietary Marks for selling products and services; (ii) to grant others licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees; and (iii) to develop and establish other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises in those systems without providing any rights to you.

All your usage of the marks and any goodwill you establish will be for our exclusive benefit and you retain no rights in the Proprietary Marks on the termination or expiration of the Franchise Agreement. You may not use the Proprietary Marks as a part of any corporate or trade name or as part of a domain name, or an electronic address, nor may you use any trade name, trademark, service mark, emblem, or logo other than the Proprietary Marks, as we may designate. You must prominently display the Proprietary Marks on the items we designate, including signs and packaging materials. You must obtain fictitious or assumed name registrations we require or under applicable law. You must identify yourself as the owner of the Pink Zebra Moving business by placing your name on the Pink Zebra Moving business and on all checks, and, on all checks, invoices, receipts, contracts and other documents that bear any of the Proprietary Marks, and on all printed materials your name must be followed by the phrase "a Pink Zebra Moving franchisee" or any other phrase as we direct. Upon termination or expiration of the Franchise Agreement, you are required to de-identify your Pink Zebra Moving business, removing all our trademarks, logos, or other proprietary items that we specify.

You must immediately notify us of any information that you acquire concerning any use by others of names or marks which are the same, or confusingly or deceptively similar to any of the Proprietary Marks. At our request, you must assist us to protect and maintain our interest in the Proprietary Marks, and we will pay or reimburse your reasonable costs incurred in rendering such assistance, unless we are required to take action to protect our interests because of your wrongful acts or those of any person under your control.

We are not obligated to protect you from the right to continued use of the Proprietary Marks. Although our right to pursue any third-party infringers of our Proprietary Marks is optional, as a company policy, we may elect to aggressively protect our rights under the Proprietary Marks. If at any time we consider it to be advisable (in our sole discretion) for us and/or you to modify or discontinue the use of any Proprietary Mark and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice from us and at your expense. We are not obligated to reimburse you for the costs you incur in complying with our directions or the loss of revenue or expenses caused by any modification or discontinuance of a Proprietary Mark. We are not required to protect you against third party claims of trademark infringement or unfair competition; however, we reserve the right to assist in the defense of such matters.

You must immediately notify us of any apparent infringement or challenge to your use of any Proprietary Mark, or any claim by any person of any rights in any Proprietary Mark. You agree not to communicate with any person other than us, our attorneys of choice and your attorneys in connection with any such claim or challenge. If we choose to take over or control the defense of any ~~claim, or~~ claim or challenge the cost of such defense will be paid by us, provided that if any claim or challenge is caused by your wrongful acts, we may request that you indemnify us for any claims or damages we incur. This includes paying all our attorneys', ~~expert~~ experts, or other professional fees we may incur to defend any claim or challenge resulting from any of your wrongful acts. In limited instances, if we ~~take over~~ take over any claim or challenge, we may reimburse you for the reasonable expenses you incur in connection with cooperating with us, as we deem necessary in our sole discretion.

#### ITEM 14

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

There are no patents that are material to the franchise. We claim copyright protection of our Manuals and related materials, certain proprietary information, ~~knowledge~~ knowledge, and know-how concerning the methods of operation of the Pink Zebra Moving franchise and promotional materials, although these materials have not been registered with the United States Registrar of Copyrights. These items are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement.

There are no agreements in effect which significantly limit our right to use or license ~~the~~ copyrighted ~~copyrighted~~ materials.

### Confidential Operations Manual.

During the term of the Franchise Agreement, we will provide to you at no charge an electronic copy of our Confidential Operations Manual in which we assert a copyright interest. The Confidential Operations Manual, its supplements, and any other materials or information designated by us is confidential. You will not provide your ~~employees~~employees with access to the Confidential Operations Manual unless necessary to operate your Pink Zebra Moving franchise.

You must use your best efforts to keep confidential all provisions in the Confidential Operations Manual, including any supplements or amendments that we provide. If you decide to print a copy of our Confidential Operations Manual, you are responsible for keeping your copy of the Confidential Operating Manual ~~up-to-date~~up to date. The provisions in our master copy will control any disputes that arise. You agree to comply with every provision in the Confidential Operations Manual and every revision to the Confidential Operations Manual that we may make from time to time, provided such revisions do not implement new or different requirements which alter the fundamental terms and conditions of the Franchise Agreement.

We will provide ~~you~~you with access to a digital copy of the Confidential Operations Manual. Paper copies are available for fifty dollars (\$50) per copy. You must not photocopy, duplicate, record or otherwise reproduce any part of the Confidential Operations Manual without our written consent. We will be disclosing to you, certain proprietary information in our programs, systems, techniques, manuals, and trade secrets as well as know-how and operating format related to our methods and materials. You will also use certain materials in the operation of your Pink Zebra Moving Franchise in which we have a copyright interest. You, however, do not acquire any right or interest in such proprietary information.

### Trade Secrets and Know-How

We will be disclosing to you, certain proprietary information in our programs, systems, manuals, and trade secrets as well as know-how and operating format related to our methods and materials. You will also use certain materials in the operation of your Pink Zebra Moving franchise business in which we have a copyright interest. You, however, do not acquire any right or interest in such proprietary information.

You must not disclose any of our proprietary rights, information, or know-how, except as authorized in the Franchise Agreement. You must maintain adequate security in the control, use and handling of our proprietary materials as specified in the Confidential Operations Manual or in writing from us. All persons you employ who can access our proprietary materials are required to sign our approved Confidentiality Agreement (Exhibit “M”). All persons with an ownership or voting interest in an entity or franchise and all individual franchisees who enter into Franchise Agreements and any person employed by or under an independent contractor relationship with you who receives or who will receive any training by us or you which is directly or indirectly related to the System or involves any of the Confidential Information must sign our Approved Confidentiality, Non-solicitation and Non-competition Agreement (Exhibit “L”). You must immediately notify us of any unauthorized use of our trade secrets. We have complete authority under the Franchise Agreement to take such action or inaction as deemed appropriate.

Failure to comply with the requirements of the Franchise Agreement with respect to confidentiality will cause us irreparable injury and you agree to pay us an amount equal to the aggregate of our cost of obtaining specific performance of, or an injunction against violation of, the requirements of the Franchise Agreement concerning confidentiality, including without limitation, reasonable attorney fees, cost of investigation and proof of facts, court expenses, and damages incurred by us.

#### ITEM 15

#### **OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS**

You (or your principal) must devote his or her personal attention, skill and best efforts to the management and operation of the Pink Zebra Moving business and to promote and increase the demand for our products and services within the Protected Territory. You agree that you may not, without our prior written consent, engage in any other commercial activity that may be injurious to the Pink Zebra Moving business or the goodwill associated with the Proprietary Marks and System. Your (or your ~~principals')principal's~~) violation of these terms will be a material breach of the Franchise Agreement, and we reserve the right to terminate the Franchise Agreement with notice and without an opportunity to cure.

Upon your written request, we may in our sole discretion, permit you to employ a manager to manage the day-to-day operations of the Pink Zebra Moving business (the "Branch Manager"), provided the Branch Manager: (i) is approved by us in writing prior to hiring; and (ii) successfully completes our Branch Manager Training Program before assuming any managerial responsibility. The Pink Zebra Moving business must always be staffed with at least one individual who has successfully completed the Branch Manager Training Program. If a Branch Manager resigns or is otherwise terminated, the replacement must be trained pursuant to our then-current standards. The new Branch Manager must successfully complete the Branch Manager Training Program within 30 days of hiring.

All persons with an ownership or voting interest in a non-individual Franchise and all individual franchisees who enter into Franchise Agreements must execute a confidentiality/non-competition agreement in the form of our "Confidentiality, Non-solicitation and Non-competition Agreement" (See Exhibit "L").

#### ITEM 16

#### **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must use only those products, services, equipment, programs and other items in the operation of your Pink Zebra Moving Franchise that we have designated in the Franchise Agreement, the Confidential Operating Manual, or specifically approved in writing unless, as to any one or more items, you are prohibited by local law or regulation or unless we have granted you our advance written approval to exclude some items, products, services or programs. If you would like to sell any product, service, ~~equipment~~equipment, or program which is not a part of the System, then you must seek and obtain our advance written permission. If we grant our advance written approval, then the product,

service, ~~equipment~~ equipment, or program in question will become a part of the System (though we will not be required to, but may, authorize it for sale or use at one or more other franchises). We may subsequently revoke our approval. We will own all rights associated with the product, service, ~~equipment~~ equipment, or program. You will not be entitled to any compensation in connection with it.

We may add to, delete ~~from~~ from, or modify the services, products, equipment, programs and other items which you can and must offer or we may modify the System. You must abide by any additions, ~~deletions~~ deletions, and modifications. There are no limits on our rights to make these changes. These requirements are set forth in greater detail in Item 8 of this Disclosure Document.

If at any time any Approved Products or any other components of the System are unavailable for your franchise for any reason, and you can affirmatively prove such unavailability, we will identify alternative products or other components of the System that you may offer at your Pink Zebra Moving Franchise, only until such time as the Approved Product or other component of the System becomes available. When the Approved Product or other component of the System becomes available, you will be required to offer it.

You may only sell System products and services at retail, and you may not engage in the wholesale sale and/or distribution of any System product, service, equipment or other component, or any related product or service.

## ITEM 17

### RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

#### THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Paragraph 2.1	Ten (10) years and six (6) months for Franchise Agreement.
b. Renewal or extension of the term	Paragraph 3.1	If you are in good standing and not in default under the Franchise Agreement, you may enter into a successor franchise agreement, provided that you: (i) maintained required Gross Revenue, (ii) satisfied all monetary obligations, (iii) fulfilled all qualification and training obligations, (iv) maintained possession of the office, modify office and other systems

Provision	Section in Franchise Agreement	Summary
		as required.
c. Requirements for you to renew or extend	Paragraphs 3.1-3.5	You send <del>required</del> <u>the required</u> notice and correct any deficiencies, sign a new Franchise Agreement and any ancillary agreements, general releases satisfactory completion of any required training and refresher programs, and pay us the fee. On renewal, you may be asked to sign a successor contract with materially different terms and conditions than your original Franchise Agreement.
d. Termination by you	None	None
e. Termination by us without cause	None	None
f. Termination by us with cause	Section 15	We can terminate only if you commit one of several violations (subject to State Law, see Exhibit “O” to the Disclosure Document and Exhibit “One D” to the Franchise Agreement).
g. “Cause” <del>defined- defaults</del> <u>defined defaults</u> which can be cured	Section 15	You have 5 days to cure health, safety or sanitation law violations, except we may require the immediate shut down of your franchise in the event we deem such violation to be a health, safety or sanitation threat to anyone, 10 days to cure noncompliance with any provision other than Paragraph 16.2 of the Franchise Agreement or the System Standards.
h. “Cause” defined – non curable defaults	Section 15	Non curable defaults include material misrepresentation or omission, failure to complete training, failure to comply with management requirements, failure to obtain an approval of the site location within the time periods specified for such approvals, failure to open the franchise to public within 240 days, abandonment, unapproved transfers, conviction of or a plea of no contest to, a felony or other serious crime, violations of anti-terrorism laws of “blocking” of assets under anti-terrorism laws, dishonest or unethical conduct,

Provision	Section in Franchise Agreement	Summary
		unauthorized assignment of the Franchise Agreement or of an ownership interest in you or franchise, loss of the Site, unauthorized use or disclosure of the Confidential Operating Manual or confidential information, failure to pay taxes, repeated defaults (even if cured), an assignment for the benefit of creditors or written admission of insolvency or inability to pay debts as they become due. Failure to meet the development obligations or pay any fees owed.
i. Your obligations on termination/nonrenewal	Section 16	Obligations include payment of outstanding amounts, liquidated damages, complete de-identification and return of confidential information (also see (r) below). Ceasing your development activities.
j. Assignment of contract by us	Paragraph 14.1	No restriction on our right to assign. However, no assignment will be made except to an assignee who in good faith and judgement of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.
k. "Transfer" by you- definition	Paragraph 14.2	You, your owners or your affiliate(s)' voluntary or involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in the Franchise Agreement, you, or the Pink Zebra Moving franchise.
l. Our approval of transfer by you	Paragraphs 14.2-14.5	We have the right to approve all transfers, even to a Business Entity controlled by you.
m. Conditions for our approval of transfer	Paragraph 14.3	New franchisee qualifies, you pay us all amounts due, transferee and its managerial employees agree to complete training, transferee agrees to enter a new Franchise Agreement, transfer fee paid, we approve material terms, you subordinate amounts due to you, and you sign other documents we require- including general releases (also see "r" below).
n. Our right of first refusal to acquire your business	Paragraph 14.8	We can match any offer for an ownership interest in you, your Franchise Agreement

Provision	Section in Franchise Agreement	Summary
		or your site and assets provided that we may substitute cash for any form of payment at a discounted amount if an interest rate will be charged on any deferred payments, our credit will be deemed equal to that of any proposed purchaser, we will have no less than 60 days to prepare for closing and we receive all customary representations and warranties, as we specify.
o. Our option to purchase your business	Paragraph 16.5	We have the option to buy the Pink Zebra Moving Franchised Business, including leasehold rights to the Site, at fair market value after our termination or your termination without cause, of the agreement (but not expiration).
p. Your death or disability	Paragraphs 14.5 and 14.5	Franchise or an ownership interest in you must be assigned to an approved buyer within 6 months and must be run by a trained manager during the period before the assignment. Assignment is subject to our right of first refusal.
q. Non-competition covenants during the term of the franchise	Paragraph 8.3 & Section 9	No interest in a Competitive Business, no controlling ownership interest in, or performance of services for a Competitive Business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	Paragraph 16.4	No interest in competing business for 2 years at, or within 15 miles of, the Protected Territory or within 25 miles of any other franchisees' Protected Territory (same restrictions apply after assignment).
s. Modification of the agreement	Paragraph 18.13	Franchise Agreement- No modifications except by written agreement, but Confidential Operating Manual and System Standards are subject to change.
t. Integration/merger clause	Paragraph 18.13	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by	Paragraphs 18.9	Except for certain claims, all disputes must

Provision	Section in Franchise Agreement	Summary
arbitration or mediation	and 18.10 and Exhibit One D	be mediated at and arbitrated at our headquarters (subject to State Law, see Exhibit “O” to the Disclosure Document).
v. Choice of forum	Paragraphs 18.8; 18.9 and 18.10	Mediation/Arbitration in Jefferson County, Alabama.
w. Choice of law	Paragraph 18.5; and Exhibit One D	Alabama law applies (subject to State Law, see Exhibit “O” to the Disclosure Document).

Certain States may require different or additional disclosures or revisions to the agreements (see State specific riders or addendum) with respect to the choice of forum, choice of law provisions in the Franchise Agreement.

The provisions of the Franchise Agreement that provide for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

## ITEM 18

### PUBLIC FIGURES

We ~~previously have~~ entered into a number of Name, Image, and Likeness Licensing Agreements with college student athletes to use their name, image, signature, voice and likeness and goodwill in association with the promotion of our company through publications, displays, distribution, media and other means of exploitation in a way that is commercially and morally acceptable to reasonable persons. Each athlete ~~will receive~~ an annual fee and an additional fee per their name usage in the event a moving customer of one of our company locations ~~paid~~ for certain restricted moving jobs. No student athlete ~~had will have~~ any ownership or investment in our company, nor ~~were will~~ they ~~be~~ involved in the management or control of our company. In 2023, we ceased offering Name, Image, and Likeness Licensing Agreements.

~~During our last calendar year 2022, we entered into license agreements with 40 University of Georgia baseball players and paid each player an annual fee of \$250. Each licensor may also earn a referral fee of \$500 for referred customers within a seventy five mile radius of Franchisor locations. During our last calendar year, we paid \$1,000 in referral fees.~~

## ITEM 19

### FINANCIAL PERFORMANCE REPRESENTATIONS

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

We began offering franchises April 15, ~~2022~~ 2022, and although we had no franchised locations open a full year in 2022, our company location in Birmingham, Alabama was open for twelve (12) months. The chart that follows is for our company location and provides 2022 monthly gross revenue for the twelve (12) month period we were open. Also included in the chart are operating expenses and net operating income.

We sold our Birmingham, Alabama operation to a franchisee in February 2023 who closed the Birmingham, Alabama operation during 2023. We have included Birmingham, Alabama gross revenue during the time of operation in 2023 but do not have any figures for operating expenses or net operating income in 2023.

There is a difference between the our company location and ~~a~~ franchised locations. ~~Our~~ The company location did not pay any franchise related fees, otherwise, there was no material difference. The source of revenue set out in the chart for 2022 is from our company's unaudited financial statement.

~~{ Chart on page that follows. }~~

**2022 Company Operation**

**Full Calendar Year**

<b>Month</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>Total</b>
<b>Revenue</b>													
Materials & Supplies	\$949	\$2,384	\$3,989	\$5,780	\$3,949	\$45	\$218	\$98	\$205	\$405	\$0	\$0	\$18,021
Tips Income	\$4,316	\$1,653	\$2,889	\$2,533	\$1,398	\$824	\$249	\$325	\$285	\$0	\$0	\$0	\$14,472
Moving & Packing Services	\$36,584	\$43,920	\$75,177	\$67,236	\$63,859	\$97,220	\$65,412	\$39,176	\$44,785	\$39,994	\$49,865	\$22,730	\$645,959
<b>Total Revenue</b>	<b>\$41,848</b>	<b>\$47,957</b>	<b>\$82,056</b>	<b>\$75,549</b>	<b>\$69,206</b>	<b>\$98,089</b>	<b>\$65,879</b>	<b>\$39,599</b>	<b>\$45,275</b>	<b>\$40,399</b>	<b>\$49,865</b>	<b>\$22,730</b>	<b>\$678,452</b>
<b>Labor Expenses</b>													
Branch Manager	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$4,167	\$50,000
Moving Labor	\$8,780	\$10,541	\$18,043	\$16,137	\$15,326	\$23,333	\$15,699	\$9,402	\$10,748	\$9,598	\$11,968	\$5,455	\$155,030
Tips Expense	\$4,316	\$1,653	\$2,889	\$2,533	\$1,398	\$824	\$249	\$325	\$285	\$0	\$0	\$0	\$14,472
PEO fee	\$425	\$473	\$658	\$573	\$878	\$735	\$520	\$300	\$374	\$459	\$458	\$744	\$6,597
Employee Experience	\$315	\$226	\$421	\$244	\$150	\$442	\$0	\$204	\$715	\$114	\$150	\$12	\$2,992
Worker's Compensation	\$1,048	\$976	\$1,675	\$1,494	\$1,338	\$1,933	\$1,276	\$778	\$883	\$768	\$957	\$436	\$13,560
Long Distance Move Expense	\$0	\$0	\$0	\$0	\$621	\$564	\$217	\$208	\$174	\$0	\$447	\$0	\$2,232
Recruiting	\$39	\$229	\$212	\$107	\$627	\$620	\$452	\$158	\$0	\$61	\$0	\$0	\$2,504
<b>Total Labor Expenses</b>													<b>\$247,387</b>
<b>Truck Expenses</b>													
Fleet Leasing	\$3,473	\$3,473	\$3,473	\$3,473	\$3,473	\$3,473	\$3,473	\$3,473	\$3,473	\$3,473	\$3,473	\$3,473	\$41,675
Fuel	\$1,372	\$1,647	\$2,819	\$2,521	\$2,395	\$3,646	\$2,453	\$1,469	\$1,679	\$1,500	\$1,870	\$852	\$24,223
Truck Day Rental	\$418	\$480	\$821	\$755	\$692	\$981	\$659	\$396	\$453	\$404	\$499	\$227	\$6,785
Fleet Tracking	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$480
Truck Maintenance Costs	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$500
<b>Total Truck Expenses</b>													<b>\$73,663</b>

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total
<b>Customer Experience (CX) Expenses</b>													
Meals	\$549	\$659	\$1,128	\$1,009	\$958	\$1,458	\$981	\$588	\$672	\$600	\$748	\$341	\$9,689
Surprise box	\$366	\$439	\$752	\$672	\$639	\$972	\$654	\$392	\$448	\$400	\$499	\$227	\$6,460
<b>Total CX Expenses</b>													\$16,149
<b>Insurance Expense</b>													
Auto Insurance	\$2,105	\$2,105	\$2,105	\$2,105	\$2,105	\$2,105	\$2,105	\$2,105	\$2,105	\$2,105	\$2,105	\$2,105	\$25,260
Bond	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$183
Cargo Insurance	\$522	\$522	\$522	\$522	\$522	\$522	\$522	\$522	\$522	\$522	\$522	\$522	\$6,263
General Liability Insurance	\$116	\$116	\$116	\$116	\$116	\$116	\$116	\$116	\$116	\$116	\$116	\$116	\$1,390
<b>Total Insurance Expenses</b>													\$33,096
<b>Marketing Expenses</b>													
Paid Media	\$1,600	\$1,600	\$1,300	\$1,100	\$1,000	\$800	\$800	\$1,200	\$1,200	\$1,500	\$1,600	\$1,600	\$15,300
Direct Mail	\$1,301	\$419	\$618	\$770	\$2,200	\$1,142	\$1,999	\$1,999	\$1,041	\$711	\$0	\$71	\$12,271
Marketing Consultation Fee	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$15,300
Referral Source Marketing	\$0	\$66	\$991	\$181	\$374	\$0	\$17	\$173	\$343	\$299	\$0	\$0	\$2,444
<b>Total Marketing Expenses</b>													\$45,315
<b>Franchisor Expenses</b>													
Royalties	\$2,627	\$3,241	\$5,542	\$5,111	\$4,747	\$6,809	\$4,594	\$2,749	\$3,149	\$2,828	\$3,491	\$1,591	\$46,479
Ad Fund	\$375	\$463	\$792	\$730	\$678	\$973	\$656	\$393	\$450	\$404	\$499	\$227	\$6,640
Communications Fee	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$2,100
Sales Center Fee	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$4,788
Scheduling Software Fee	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$4,788

Total Franchisor  
Expenses

\$64,794

<b>Month</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>Total</b>
<b>Business Expenses</b>													
Bank Service Charges	\$104	\$93	\$74	\$121	\$80	\$88	\$525	-\$357	\$135	\$134	\$61	\$50	\$1,108
Computer and Internet	\$123	\$123	\$123	\$123	\$123	\$123	\$123	\$123	\$123	\$123	\$123	\$123	\$1,476
Credit Card Fees	\$944	\$1,099	\$1,037	\$1,933	\$1,355	\$2,128	\$2,035	\$1,748	\$974	\$973	\$1,071	\$1,073	\$16,372
Licensing and DOT Permits	\$0	\$437	\$112	\$14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$563
Moving Claims	\$74	\$0	\$525	\$1,160	\$24	\$1,300	\$450	\$1,467	\$750	\$0	\$3,125	\$1,384	\$10,259
Moving Supplies and Equipment	\$1,855	\$1,830	\$2,555	\$2,559	\$4,741	\$889	\$30	\$1,104	\$1,583	\$156	\$333	\$3,259	\$20,893
COGS Materials	\$1,607	\$1,816	\$2,497	\$1,868	\$0	\$540	\$0	\$0	\$0	\$0	\$0	\$0	\$8,328
Office Lease	\$1,420	\$1,420	\$1,420	\$1,420	\$1,420	\$1,420	\$1,420	\$1,420	\$1,420	\$1,420	\$1,420	\$1,420	\$17,040
Office Supplies	\$239	\$63	\$301	\$17	\$22	\$159	\$69	\$227	\$34	\$16	\$16	\$0	\$1,163
Uniforms	\$0	\$294	\$0	\$436	\$154	\$214	\$0	\$0	\$0	\$0	\$708	\$0	\$1,807
Utilities	\$250	\$263	\$172	\$129	\$199	\$302	\$376	\$384	\$291	\$239	\$130	\$203	\$2,938
Repairs, Maintenance and Tools	\$0	\$99	\$0	\$0	\$0	\$272	\$150	\$0	\$41	\$7	\$0	\$0	\$569
<b>Total Business Expenses</b>													<b>\$82,514</b>
<b>Total Expenses</b>													<b>\$562,918</b>
<b>Net Operating Income</b>													<b>\$115,534</b>
<b>Net Operating Margin</b>													<b>17.03%</b>

For the year 2023, Franchisee gross revenue for franchises open and operating at least six months is presented using four charts. Chart 1 sets out monthly gross revenue from four franchise operations which have one office and one territory. Included in the summary of Chart 1 is the low, high, average, and median gross revenue of the four franchise operations.

Chart 2 provides the monthly gross revenue for two franchise operations which have one office and two territories. Included in the summary of Chart 2 is the low, high, and average gross revenue of the two franchise operations.

Chart 3 provides monthly gross revenue for one franchise operation which had one office and three territories.

Chart 4 provides monthly gross revenue for one franchise operation which had one office and four territories.

[ Charts on pages that follows]

**Chart 1**  
**2023 Gross Revenue**  
**1 Office with 1 Territory**

Location	January	February	March	April	May	June	July	August	September	October	November	December	Totals
<u>Montgomery, AL</u>	<u>\$11,014.00</u>	<u>\$8,679.00</u>	<u>\$21,410.00</u>	<u>\$11,634.00</u>	<u>\$44,528.00</u>	<u>\$53,186.00</u>	<u>\$38,774.00</u>	<u>\$34,085.00</u>	<u>\$32,708.00</u>	<u>\$29,238.00</u>	<u>\$49,884.00</u>	<u>\$31,362.00</u>	<u>\$366,502.00</u>
<u>Columbus, GA</u>	<u>N/A</u>	<u>N/A</u>	<u>\$8,109.00</u>	<u>\$36,522.00</u>	<u>\$33,825.00</u>	<u>\$28,016.00</u>	<u>\$65,739.00</u>	<u>\$33,943.00</u>	<u>\$36,011.00</u>	<u>\$21,295.00</u>	<u>\$20,198.00</u>	<u>\$36,150.06</u>	<u>\$319,808.06</u>
<u>Athens, GA</u>	<u>\$22,875.00</u>	<u>\$18,349.00</u>	<u>\$30,536.00</u>	<u>\$31,657.00</u>	<u>\$40,280.00</u>	<u>\$35,608.00</u>	<u>\$60,308.00</u>	<u>\$57,133.00</u>	<u>\$19,729.00</u>	<u>\$15,124.00</u>	<u>\$9,696.00</u>	<u>\$25,562.00</u>	<u>\$366,857.00</u>
<u>Auburn, AL</u>	<u>N/A</u>	<u>\$6,975.00</u>	<u>\$15,505.00</u>	<u>\$5,264.00</u>	<u>\$35,981.00</u>	<u>\$36,089.00</u>	<u>\$34,742.00</u>	<u>\$34,784.00</u>	<u>\$24,033.00</u>	<u>\$6,143.00</u>	<u>\$14,143.00</u>	<u>\$4,500.00</u>	<u>\$218,159.00</u>

**Chart 1**  
**1 Office with 1 Territory**  
**2023 Gross Revenue Summary**  
**For Locations Open the Full Month**

# Locations	<u>2</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>High</u>	<u>\$22,875.00</u>	<u>\$18,349.00</u>	<u>\$30,536.00</u>	<u>\$36,522.00</u>	<u>\$44,528.00</u>	<u>\$53,186.00</u>	<u>\$65,739.00</u>	<u>\$57,133.00</u>	<u>\$36,011.00</u>	<u>\$29,238.00</u>	<u>\$49,884.00</u>	<u>\$36,150.06</u>	<u>\$366,857.00</u>
<u>Average</u>	<u>\$16,944.50</u>	<u>\$11,334.33</u>	<u>\$18,890.00</u>	<u>\$21,269.25</u>	<u>\$38,653.50</u>	<u>\$38,224.75</u>	<u>\$49,890.75</u>	<u>\$39,986.25</u>	<u>\$28,120.25</u>	<u>\$17,950.00</u>	<u>\$23,480.25</u>	<u>\$24,393.52</u>	<u>\$317,831.52</u>
<u>Median</u>	<u>N/A</u>	<u>\$8,679.00</u>	<u>\$18,457.50</u>	<u>\$21,645.50</u>	<u>\$38,130.50</u>	<u>\$47,525.00</u>	<u>\$49,541.00</u>	<u>\$34,434.50</u>	<u>\$28,370.50</u>	<u>\$18,209.50</u>	<u>\$17,170.50</u>	<u>\$28,462.00</u>	<u>\$343,332.53</u>
<u>Low</u>	<u>\$11,014.00</u>	<u>\$6,975.00</u>	<u>\$8,109.00</u>	<u>\$5,264.00</u>	<u>\$33,825.00</u>	<u>\$28,016.00</u>	<u>\$34,742.00</u>	<u>\$33,943.00</u>	<u>\$19,729.00</u>	<u>\$6,143.00</u>	<u>\$9,696.00</u>	<u>\$4,500.00</u>	<u>\$218,159.00</u>

**Chart 2**  
**2023 Gross Revenue**  
**1 Office with 2 Territories**

<u>Location</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Totals</u>
<u>Wilmington, NC</u>	<u>N/A</u>	<u>N/A</u>	<u>\$10,992.00</u>	<u>\$16,519.23</u>	<u>\$54,764.29</u>	<u>\$74,367.64</u>	<u>\$78,211.40</u>	<u>\$52,648.07</u>	<u>\$50,754.26</u>	<u>\$41,347.45</u>	<u>\$53,418.12</u>	<u>\$50,015.01</u>	<u>\$486,836.02</u>
<u>Birmingham, AL</u>	<u>N/A</u>	<u>N/A</u>	<u>\$18,429.00</u>	<u>\$32,087.00</u>	<u>\$25,966.00</u>	<u>\$43,043.00</u>	<u>\$26,531.00</u>	<u>\$14,777.00</u>	<u>\$24,955.00</u>	<u>\$713.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$188,171.00</u>

**Chart 2**  
**1 Office with 2 Territories**  
**2023 Gross Revenue Summary**  
**Open the Full Month**

<u>High</u>	<u>N/A</u>	<u>N/A</u>	<u>\$18,429.00</u>	<u>\$32,087.00</u>	<u>\$80,730.29</u>	<u>\$74,367.64</u>	<u>\$78,211.40</u>	<u>\$52,648.07</u>	<u>\$50,754.26</u>	<u>\$41,347.45</u>	<u>\$53,418.12</u>	<u>\$50,015.01</u>	<u>-</u>
<u>Average</u>	<u>N/A</u>	<u>N/A</u>	<u>\$14,710.50</u>	<u>\$24,303.12</u>	<u>\$40,365.15</u>	<u>\$58,705.32</u>	<u>\$52,371.20</u>	<u>\$33,712.54</u>	<u>\$37,854.63</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>-</u>
<u>Low</u>	<u>N/A</u>	<u>N/A</u>	<u>\$10,992.00</u>	<u>\$16,519.23</u>	<u>\$25,966.00</u>	<u>\$43,043.00</u>	<u>\$26,531.00</u>	<u>\$14,777.00</u>	<u>\$24,955.00</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>-</u>

**Chart 3**  
**2023 Gross Revenue**  
**1 Office with 3 Territories**  
**Open the Full Month**

<u>Location</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Totals</u>
<u>Oklahoma City, OK</u>	<u>N/A</u>	<u>N/A</u>	<u>\$17,696.00</u>	<u>\$26,508.00</u>	<u>\$27,230.00</u>	<u>\$42,161.00</u>	<u>\$40,931.00</u>	<u>\$32,207.00</u>	<u>\$43,820.00</u>	<u>\$23,447.00</u>	<u>\$26,070.00</u>	<u>\$19,695.00</u>	<u>\$304,650.00</u>

**Chart 4**  
**2023 Gross Revenue**  
**1 Office with 4 Territories**  
**Open the Full Month**

<u>Location</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Totals</u>
<u>Charlotte, NC</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$34,375.00</u>	<u>\$48,188.00</u>	<u>\$34,345.00</u>	<u>\$18,103.00</u>	<u>\$34,134.00</u>	<u>\$45,452.00</u>	<u>\$232,865.00</u>

**Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.**

You should conduct an independent investigation of the cost and expenses you will incur in operating your franchised Pink Zebra Moving Company. Many factors, including location, management capabilities, local market conditions and other factors, are unique to each business and may significantly impact the financial performance of your franchise business.

All information should be evaluated in light of current market conditions including such cost and price information as may then be available.

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

Other than the preceding financial performance representation, Pink Zebra Moving, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either ~~orally~~ ~~in~~ orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Pink Zebra Moving, LLC, 505 20<sup>th</sup> Street North, Suite 1010, Birmingham, Alabama 35203, (205) 203-4881, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**

**OUTLETS AND FRANCHISEE INFORMATION**

**TABLE 1**

System-wide Outlet Summary

For the Fiscal Year ~~2021, 2022 and 2023~~ ~~2020, 2021 and 2022~~

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	<del>2021</del> 2020	00	00	00
	<del>2022</del> 2021	00	20	+20
	<del>2023</del> 2022	20	82	+6+2
Company-Owned	<del>2021</del> 2020	00	10	+10
	<del>2022</del> 2021	10	1+	0+1
	<del>2023</del> 2022	1+	0+	-10
<b>Total Outlets</b>	<del>2021</del> 2020	00	10	+10
	<del>2022</del> 2021	10	31	+2+1
	<del>2023</del> 2022	31	83	+5+2

**TABLE 2**  
**Transfers of Outlets From Franchisees to New Owners**  
**(Other than the Franchisor)**  
For ~~2021, 2022 and 2023~~~~2020, 2021 and 2022~~

<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>	<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>
<u>Alabama</u> <u>None</u>	<del>2021</del> <u>2020</u>	<del>0</del> <u>0</u>	<u>Total</u>	<u>2021</u>	<u>0</u>
	<del>2022</del> <u>2021</u>	<del>0</del> <u>0</u>		<u>2022</u>	<u>0</u>
	<del>2023</del> <u>2022</u>	<del>1</del> <u>1</u>		<u>2023</u>	<u>1</u>
<b>Total</b>	<b>2020</b>	<b>0</b>			
	<b>2021</b>	<b>0</b>			
	<b>2022</b>	<b>0</b>			

**TABLE 3**  
Status of Franchised Outlets  
For Fiscal Years 2021-2023

<u>State</u>	<u>Year</u>	<u>Outlets at Start of the Year</u>	<u>Outlets Opened</u>	<u>Terminations</u>	<u>Non-Renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operations – Other Reasons</u>	<u>Outlets at End of the Year</u>
<u>Alabama</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>
<u>Colorado</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Georgia</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of the Year</u>	<u>Outlets Opened</u>	<u>Terminations</u>	<u>Non-Renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operations – Other Reasons</u>	<u>Outlets at End of the Year</u>
North Carolina	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Oklahoma	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Tennessee	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<b>Total</b>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>9</u>

Status of Franchised Outlets  
For 2021, 2022 and 20232020, 2021 and 2022

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened</u>	<u>Terminations</u>	<u>Non-Renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operations – Other Reasons</u>	<u>Outlets at End of Year</u>
Alabama	<u>2021</u> <u>20</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>
	<u>2022</u> <u>20</u> <u>21</u>	<u>00</u>	<u>10</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>10</u>
	<u>2023</u> <u>20</u> <u>22</u>	<u>10</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Georgia	<u>2021</u> <u>20</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>
	<u>2022</u> <u>20</u> <u>21</u>	<u>00</u>	<u>10</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>10</u>
	<u>2023</u> <u>20</u> <u>22</u>	<u>10</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<b>Total</b>	<u>2021</u> <u>20</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>
	<u>2022</u> <u>20</u> <u>21</u>	<u>00</u>	<u>20</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>20</u>
	<u>2023</u> <u>20</u> <u>22</u>	<u>20</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>

**TABLE 4**  
 Status of Company – Owned Outlets  
 For ~~2021, 2022 and 2023~~ ~~2020, 2021 and 2022~~

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets At End Of The Year
Alabama	<del>2021</del> <del>2020</del>	<u>00</u>	<u>10</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>10</u>
	<del>2022</del> <del>2021</del>	<u>10</u>	<u>01</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>11</u>
	<del>2023</del> <del>2022</del>	<u>11</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>01</u>	<u>10</u>
Georgia	<del>2021</del> <del>2020</del>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>
	<del>2022</del> <del>2021</del>	<u>00</u>	<u>10</u>	<u>00</u>	<u>00</u>	<u>10</u>	<u>00</u>
	<del>2023</del> <del>2022</del>	<u>00</u>	<u>01</u>	<u>00</u>	<u>00</u>	<u>01</u>	<u>00</u>
<b>Totals</b>	<del>2021</del> <del>2020</del>	<u>00</u>	<u>10</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>10</u>
	<del>2022</del> <del>2021</del>	<u>10</u>	<u>11</u>	<u>00</u>	<u>00</u>	<u>01</u>	<u>1</u>
	<del>2023</del> <del>2022</del>	<u>1</u>	<u>01</u>	<u>00</u>	<u>00</u>	<u>11</u>	<u>10</u>

**TABLE 5**  
 Projected Openings as of December 31, ~~2023~~~~2022~~

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
<del>Alabama</del> <del>Alabama</del>	<u>12</u>	<u>31</u>	<u>00</u>
<del>Georgia</del> <del>North Carolina</del>	<u>22</u>	<u>30</u>	<u>00</u>
<del>Indiana</del> <del>Oklahoma</del>	<u>01</u>	<u>10</u>	<u>00</u>
<del>Kentucky</del>	<u>0</u>	<u>1</u>	<u>0</u>
<del>Massachusetts</del>	<u>1</u>	<u>0</u>	<u>0</u>
<del>Michigan</del> <del>South Carolina</del>	<u>01</u>	<u>20</u>	<u>00</u>
<del>Missouri</del>	<u>1</u>	<u>0</u>	<u>0</u>
<del>New Jersey</del>	<u>1</u>	<u>0</u>	<u>0</u>
<del>Ohio</del> <del>Tennessee</del>	<u>02</u>	<u>10</u>	<u>00</u>
<del>South Carolina</del>	<u>1</u>	<u>0</u>	<u>0</u>
<del>Tennessee</del>	<u>1</u>	<u>0</u>	<u>0</u>
<del>Texas</del>	<u>0</u>	<u>1</u>	<u>0</u>
<b>TOTAL</b>	<b>8</b>	<b><u>121</u></b>	<b><u>00</u></b>

**NOTE:**

A list of current franchisees, addresses and telephone numbers is found in Exhibit B.

A list of former franchisees who voluntarily, involuntarily or who had an outlet terminated, canceled or not renewed or who have not communicated with us within 10 weeks of the issuance date of this disclosure document and their telephone number if known, or last known home telephone number and city and state, is found in Exhibit C.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisees have signed confidentiality clauses during the last three fiscal years.

There are no trademark specific franchisee organizations associated with the franchise system which we created, sponsored or endorsed, or any independent franchisee organizations that have asked to be included in this Disclosure Document.

**ITEM 21**

**FINANCIAL STATEMENTS**

Attached as Exhibit A are audited financial statements for the period ending December 31, 2023 and December 31, 2022. Also included are unaudited Financial Statements for the period ending March 31, 2024. We have not been in business for three years or more and cannot include all the financial statements required by the FTC Rule for our last three fiscal years. Our fiscal year end is December 31.

**ITEM 22**

**CONTRACTS**

The following agreements are attached as Exhibits to this disclosure document:

Exhibit F	Form of Franchise Agreement
Exhibit G	Form of Preliminary Approval Agreement
Exhibit H	Form of Multi-Territory Addendum
Exhibit I	Form of Conditional Assignment and Assumption of Lease
Exhibit J	Form of Principal Owner's Guaranty
Exhibit L	Form of Confidentiality, Non-solicitation and Non-competition Agreement for Franchise Agreement
Exhibit M	Form of Key-Employee Manager Confidentiality Agreement
Exhibit P	Form of Release

**ITEM 23**

**RECEIPTS**

See Exhibit “Q” for detachable receipts.

**EXHIBIT "A" TO THE DISCLOSURE DOCUMENT**

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**FINANCIAL STATEMENTS**

**OF**

**PINK ZEBRA MOVING, LLC**

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**PINK ZEBRA MOVING, LLC**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023 AND 2022**

**PINK ZEBRA MOVING, LLC  
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DECEMBER 31, 2023 AND 2022**

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## INDEPENDENT AUDITORS' REPORT

To the Managing Member  
Pink Zebra Moving, LLC

### **Opinion**

We have audited the accompanying financial statements of Pink Zebra Moving, LLC (an Alabama limited liability company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, members' (deficit) equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pink Zebra Moving, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pink Zebra Moving, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pink Zebra Moving, LLC's ability to continue as a going concern for a reasonable period of time.

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

*Warren Averett, LLC*

Birmingham, Alabama  
April 24, 2024

**PINK ZEBRA MOVING, LLC  
BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 235,747	\$ 291,782
Accounts receivable, net	217,125	96,058
Prepaid broker fees	190,000	277,500
Intangible and other assets	931	3,758
<b>Total current assets</b>	<b>643,803</b>	<b>669,098</b>
Related party loan	70,967	72,727
Property and equipment, net	33,016	35,967
Operating right-of-use asset	547,613	605,079
<b>TOTAL ASSETS</b>	<b>\$ 1,295,399</b>	<b>\$ 1,382,871</b>
<b>LIABILITIES AND MEMBERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 11,885	\$ 15,427
Accrued expenses	36,832	52,420
Line of credit	121,135	244,205
Deferred franchise fees	1,195,039	641,017
Operating lease liabilities	29,717	5,674
<b>Total current liabilities</b>	<b>1,394,608</b>	<b>958,743</b>
Operating lease liabilities	579,872	609,117
<b>TOTAL LIABILITIES</b>	<b>1,974,480</b>	<b>1,567,860</b>
<b>MEMBERS' DEFICIT</b>	<b>(679,081)</b>	<b>(184,989)</b>
<b>TOTAL LIABILITIES AND MEMBERS' DEFICIT</b>	<b>\$ 1,295,399</b>	<b>\$ 1,382,871</b>

See accompanying notes to the financial statements.

**PINK ZEBRA MOVING, LLC**  
**STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>REVENUES</b>		
Moving revenue	\$ 35,200	\$ 968,529
Franchise fees	840,910	157,053
<b>TOTAL REVENUES</b>	876,110	1,125,582
<b>COST OF SALES</b>	567,255	251,973
<b>GROSS PROFIT</b>	308,855	873,609
<b>OPERATING EXPENSES</b>	1,040,644	1,469,201
<b>TOTAL OPERATING LOSS</b>	(731,789)	(595,592)
<b>OTHER INCOME (EXPENSE)</b>	5,697	(1,246)
<b>NET LOSS</b>	<u>\$ (726,092)</u>	<u>\$ (596,838)</u>

See accompanying notes to the financial statements.

**PINK ZEBRA MOVING, LLC  
STATEMENTS OF MEMBERS' (DEFICIT) EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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<b>BALANCE AS OF DECEMBER 31, 2021 (UNAUDITED)</b>	\$ 11,849
Member contributions	400,000
Net loss	<u>(596,838)</u>
<b>BALANCE AS OF DECEMBER 31, 2022</b>	(184,989)
Member contributions	232,000
Net loss	<u>(726,092)</u>
<b>BALANCE AS OF DECEMBER 31, 2023</b>	<u><u>\$ (679,081)</u></u>

See accompanying notes to the financial statements.

**PINK ZEBRA MOVING, LLC**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (726,092)	\$ (596,838)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,951	13,833
Amortization	-	68
Amortization of the operating right-of-use asset	57,466	9,559
Gain on disposal of property and equipment	-	(15,675)
Changes in operating assets and liabilities:		
Accounts receivable	(121,067)	(96,058)
Prepaid broker fees	87,500	(277,500)
Intangible and other assets	2,827	(2,525)
Related party loan	1,760	(72,727)
Accounts payable	(3,542)	15,427
Accrued expenses	(15,588)	26,114
Deferred franchise fees	554,022	641,017
Operating lease liabilities	(5,202)	153
Net cash used in operating activities	<u>(164,965)</u>	<u>(355,152)</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	-	(11,211)
Proceeds from the sale of property and equipment	-	120,000
Net cash provided by investing activities	<u>-</u>	<u>108,789</u>
<b>FINANCING ACTIVITIES</b>		
Principal repayments of long-term debt	-	(85,183)
Net borrowings and repayments under line of credit	(123,070)	95,000
Member contributions	232,000	400,000
Net cash provided by financing activities	<u>108,930</u>	<u>409,817</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(56,035)</u>	<u>163,454</u>
<b>CASH AND CASH EQUIVALENTS:</b>		
<b>BEGINNING OF YEAR</b>	<u>291,782</u>	<u>128,328</u>
<b>END OF YEAR</b>	<u>\$ 235,747</u>	<u>\$ 291,782</u>

See accompanying notes to the financial statements.

**PINK ZEBRA MOVING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Nature of Business**

Pink Zebra Moving, LLC (the Company) was organized on October 19, 2020. The Company primarily functions as a franchisor, offering management services and products to businesses in the moving service industry. A franchise includes territorial rights, management training and a license to use specified trade names and trademarks. Additionally, the Company's operations involve providing moving and packing services for individual consumers. The Company operates primarily in the Southeastern United States.

As of December 31, 2023, the Company had nine franchise locations. In 2022, the Company entered into agreements to convert its two existing moving office locations into franchised territories.

### **Franchise Operations**

The Company executes store-level franchise agreements with third-party operators. These agreements outline the terms of the arrangement with the franchisee. Typically, franchise agreements under the Pink Zebra Moving Franchise require the franchisee to pay an initial, nonrefundable fee upon the execution of a franchise agreement and continuing monthly service, licensing and ad fund fees based on fixed amounts and revenue derived from moving and packing services. Subject to franchisor approval and payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

The total investment required to begin operation of a franchise is determined by the size of the market. The Company offers small, medium, large and mega territories, depending on the number of households in the market as per the 2020 census, with certain other limitations as defined in the Franchise Disclosure Document.

### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

### **Accounting Estimates**

Preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates due to uncertainties.

### **Cash and Cash Equivalents**

All highly liquid investments with maturities of three months or less at the date of purchase are treated as cash equivalents. The Company maintains its cash in bank deposit accounts, which may, at times, may exceed federally insured limits. The Company has not experienced any losses related to these balances and believes the credit risk to be minimal.

### **Accounts Receivable**

Accounts receivable represent amounts due to the Company from franchisees for services rendered, including initial franchise fees, as well as amounts due from customers of the Company's moving

**PINK ZEBRA MOVING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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services. The Company extends credit to its franchisees in the ordinary course of business. Accounts receivable is stated at the amount management expects to collect. The Company records amounts as receivables for services that have been performed but have not been paid by customers to the Company. The Company initially collects deposits of \$200 from customers before the Company renders services. The remaining amount due to the Company is for services rendered and is usually collected within several days of the completed job.

In assessing the collectability of its accounts receivable the Company considers historical collection experience, the age of the accounts receivable balances, the credit quality and risk of its customers, any specific customer collection issues, current economic conditions, and other factors that may impact its customers' ability to pay. In addition, the Company considers reasonable and supportable forecasts of future economic conditions and their expected impact on customer collections in determining its allowance for credit losses. The Company writes off accounts receivable balances once the receivables are no longer considered collectible. As of December 31, 2023, the allowance for credit losses amounted to \$57,728; whereas, as December 31, 2022, no allowance for credit losses was recorded. The Company performs ongoing credit evaluations of its franchisees' financial conditions and generally requires no collateral from its franchisees.

**Prepaid Broker Fees**

Prepaid brokerage fees are expensed when the franchisee location is opened.

**Property and Equipment**

Property and equipment are recorded at cost less accumulated depreciation and include expenditures that substantially increase the useful lives of existing property and equipment. Maintenance, repairs and minor renovations are charged to income as incurred. When property and equipment are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the respective accounts, and any gain or loss on the disposition is recorded to income.

The Company provides for the depreciation of property and equipment using the straight-line method designed to depreciate costs over estimated useful lives. The cost of leasehold improvements is amortized over the lesser of the lives of the related leases or the estimated useful lives of the assets.

**Long-Lived Assets**

Intangible assets, such as property and equipment and goodwill, subject to amortization, are reviewed for potential impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. During 2023, no events or circumstances indicated that an impairment loss should be recorded.

**Income Taxes**

The Company's legal form of business is a limited liability company. Under the provisions for this form of business, the Company is not a taxable entity except in certain states. Elements of income and expense flow through and are taxed to the members. The members may take capital distributions throughout the year to pay their respective income tax liabilities.

The Company assesses their uncertain tax positions for the likelihood that they would be overturned upon examination by the Internal Revenue Service (IRS) or state taxing authorities. The Company

**PINK ZEBRA MOVING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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has determined that it does not have any positions as of December 31, 2023, that it would be unable to substantiate.

**Advertising**

Except for costs associated with the advertising cooperative liabilities, advertising costs are expensed as incurred. For the years ended December 31, 2023 and 2022, advertising costs totaled \$44,841 and \$7,703, respectively.

**Contingencies**

As of the date of the financial statements, certain conditions may exist which may result in a loss to the Company, which will only be resolved if one or more future events occur or fail to occur. The Company's management and legal counsel assess such contingencies, and such assessment inherently involves judgment. If the assessment indicates that a material loss is both probable and reasonably estimable, the Company records the contingent liabilities.

**Recent Accounting Pronouncements**

Effective January 1, 2023, the Company adopted the Financial Accounting Standards Board (FASB) ASC Topic 326, *Financial Instruments – Credit Losses*. This standard significantly alters how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is the transition from the incurred loss model to the expected loss model. Under ASC Topic 326, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The Company's trade accounts receivable are subject to this new guidance. The adoption of this standard did not have a material impact on the financial statements.

**2. REVENUE RECOGNITION**

**Revenue Recognition**

The Company generates revenue through initial franchise fees, territory development fees, website development fees, royalty fees, ad fund fees, marketing fees and service revenues. The Company has elected to apply the private company alternative for franchisors as permitted by U.S. GAAP. As such, the recognition of initial franchise fees and other related revenues may differ from those of franchisors who have not elected this alternative.

Under the terms of the franchise agreements, the Company offers franchisees a franchise license, which includes a license to use the Company's intellectual property. In markets where the Company manages a marketing fund, it also provides advertising and promotion management. The Company also provides pre-opening services such as site selection, training, and inspections, as well as ongoing services like the development of training material and quality control and inspection. The Company has determined that initial franchise fees, territory development fees, and website development fees are distinct from the franchise license. Franchise royalty fees and ad fund fees, which are based on a defined percentage of franchise or license store operations, are recognized when earned. Marketing fees are recognized when earned based on a minimum dollar amount. Initial franchise fees, territory development fees, and website development fees are payable by the franchisee upon the sale and execution of a franchise agreement.

**PINK ZEBRA MOVING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

Initial franchise fees, and website development fees are recognized upon completion of franchisee store training. Territory development fees are recognized over the term of the franchise agreement. Service revenues are recognized as the services are provided. The franchise royalties, which represent sales-based royalties related entirely to the performance obligation under the franchise agreement, are recognized as franchise sales occur.

**Deferred Revenue**

Deferred franchise fees consist of initial franchise fees and territory development fees collected, where the Company is still obligated to complete certain performance obligations outlined in the franchise agreement. The initial franchise fee and territory development fees, which vary by location and size of territory, are nonrefundable and due upon execution of the franchise agreement.

**3. RELATED PARTY LOAN**

On October 3, 2022, the Company entered into a loan agreement with a franchisee. The original principal amount of the loan was \$60,000, carrying an interest rate of 7.25%. On December 9, 2022, the parties amended the loan, increasing the principal to \$72,000. This increase in principal was due to the down payment loan for the purchase of a 2015 Freightliner and a 2020 International MV607, both owned by the Company as of December 31, 2021. Payments on the loan have been deferred and begin on April 3, 2023. The loan is accruing interest during the deferral period. As of December 31, 2023, the outstanding balance on the note totaled \$70,967.

The following shows the payments due from the franchisee as of December 31, 2023:

2024	\$	15,233
2025		15,901
2026		17,093
2027		17,935
Thereafter		4,805
		\$ 70,967

**4. PROPERTY AND EQUIPMENT, NET**

As of December 31, 2023 and 2022, property and equipment consisted of the following:

	<u>Estimated Useful Life</u>	<u>2023</u>	<u>2022</u>
Furniture and equipment	10 years	\$ 39,346	\$ 39,346
Less: accumulated depreciation		6,330	3,379
Net property and equipment		\$ 33,016	\$ 35,967

**PINK ZEBRA MOVING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**5. LEASES**

Historically, the Company has entered into lease arrangements as the lessee. Specifically, the Company leases its corporate office in Birmingham, Alabama, under an operating lease.

The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. In determining that rate, the Company considers prevailing economic conditions at the commencement date and factors such as company-specific credit risk, term of the lease and options, and the effect of collateralization based on the nature and quality of the underlying asset.

As of December 31, 2023, the weighted-average remaining lease term for the Company's operating leases is 6.8 years.

Because the Company generally does not have access to the rate implicit in the lease, the Company uses its incremental borrowing rate as the discount rate. As of December 31, 2023, the weighted-average discount rate associated with operating leases is 9.0%.

As of December 31, 2023, the future payments due under operating leases are as follows:

2024	\$ 83,091
2025	120,997
2026	123,867
2027	126,736
Thereafter	<u>374,470</u>
	829,161
Less: effects of discounting	219,572
Less: current portion	<u>29,717</u>
Lease liabilities recognized	<u><u>\$ 579,872</u></u>

Lease assets obtained in exchange for operating lease obligations amounted to \$547,613 and \$605,079 as of December 31, 2023 and 2022, respectively.

**6. LINE OF CREDIT**

The Company maintains a line of credit with a financial institution with an aggregate limit of \$350,000 and an interest rate of 9.00% as of December 31, 2023 and 2022. This line of credit is secured by the personal guarantee of the member and substantially all business assets. It is set to mature on September 19, 2023. As of December 31, 2023 and 2022, the outstanding balance on this line of credit totaled \$121,135 and \$244,205, respectively.

**PINK ZEBRA MOVING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

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**7. DEFERRED FRANCHISE FEES**

The following table reflects the change in deferred revenue for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Unearned franchise fees at beginning of year	\$ 641,017	-
Revenue recognized during the year	(840,910)	(157,053)
New deferral due to cash received and other	<u>1,394,932</u>	<u>798,070</u>
Unearned franchise fees at end of year	<u>\$ 1,195,039</u>	<u>\$ 641,017</u>

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

PINK ZEBRA MOVING, LLC  
COMPILED FINANCIAL STATEMENTS  
MARCH 31, 2024

**COBB CPA SERVICES, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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Marietta, Georgia 30061-4365

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Fax (770) 429-1039

W. Perry Rountree, CPA  
Member: American Institute  
and Georgia Society of CPAs

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(770) 426-1040 Fax (770) 429-1039

To the Management  
Pink Zebra Moving, LLC  
Birmingham, Alabama

Management is responsible for the accompanying financial statements of Pink Zebra Moving, LLC (a corporation), which comprise the balance sheet as of March 31, 2024, and the related statement of income for the year then ended in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

*Cobb CPA Services, PC*

Marietta, GA  
June 3, 2024

Pink Zebra Moving, LLC  
**Balance Sheet**  
As of March 31, 2024

	Mar 31, 24
<b>ASSETS</b>	
Current Assets	
Checking/Savings	106,607.45
Accounts Receivable	297,029.28
Other Current Assets	
Allowance for Doubtful Accounts	-57,728.00
Prepaid Broker Fees	190,000.00
Right of Use Asset - Corporate	547,613.00
Total Other Current Assets	679,885.00
Total Current Assets	1,083,521.73
Fixed Assets	31,048.47
Other Assets	62,050.58
<b>TOTAL ASSETS</b>	1,176,620.78
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	217.86
Credit Cards	63,310.04
Other Current Liabilities	1,241,997.73
Total Current Liabilities	1,305,525.63
Long Term Liabilities	629,284.88
Total Liabilities	1,934,810.51
Equity	
Paid-In Capital	635,000.00
30100 · Capital Stock	330,000.00
32000 · Retained Earnings	-1,650,172.20
Net Income	-73,017.53
Total Equity	-758,189.73
<b>TOTAL LIABILITIES &amp; EQUITY</b>	1,176,620.78

Pink Zebra Moving, LLC

Income Statement

January through March 2024

	<u>Jan - Mar 24</u>
Ordinary Income/Expense	
Income	
Franchise Fees	322,109.02
Total Income	<u>322,109.02</u>
Gross Profit	322,109.02
Expense	
Amortization Expense	34.16
Broker Experience	5.40
Business Expenses	196,161.96
Charitable Contributions	75.00
Experience	5,068.19
Franchisor Expenses	51,072.82
Leased Employee Expense	118,576.48
Miscellaneous Expense	200.00
Reimbursable Expense	-1,362.37
Taxes & Licenses	110.50
Travel	25,105.01
Truck Expenses	60.79
62400 · Depreciation Expense	1,967.22
63300 · Insurance Expense	834.46
Total Expense	<u>397,909.62</u>
Net Ordinary Income	-75,800.60
Other Income/Expense	
Other Income	2,783.07
Net Other Income	<u>2,783.07</u>
Net Income	<u><u>-73,017.53</u></u>

**EXHIBIT "B" TO THE DISCLOSURE DOCUMENT**

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**LIST OF FRANCHISEES**

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**LIST OF FRANCHISEES**  
 (As of December 31, ~~2022~~2023)

FRANCHISEE	ADDRESS	PHONE
<b>Alabama</b>		
<a href="#"><u>Ralph Moving, LLC</u></a>	<a href="#"><u>1625 E University Dr., Ste 106 Auburn, AL 36830</u></a>	<a href="#"><u>(334) 530-6062</u></a>
Big Dazzle Moving, LLC	630 Oliver Rd., Suite B Montgomery, AL 36117	(334) 451-3451
<b>Colorado</b>		
<a href="#"><u>Two to Ten, LLC</u></a>	<a href="#"><u>1001 Bannock Street #23 Denver, CO 80204</u></a>	<a href="#"><u>(303) 500-1444</u></a>
<b>Georgia</b>		
Simone Freeman, LLC	1060 Gaines School Road, Suite C3 Athens, GA 30605	(706) 341-3378
<a href="#"><u>Ralph Moving, LLC</u></a>	<a href="#"><u>3021 Sandy Parkway, Bldg 1, Ste A Columbus, GA 31909</u></a>	<a href="#"><u>(762) 257-6862</u></a>
<b>North Carolina</b>		
<a href="#"><u>Movers and Shakers, LLC</u></a>	<a href="#"><u>1016 W. Craighead Rd. Charlotte, NC 28206</u></a>	<a href="#"><u>(980) 322-0515</u></a>
<a href="#"><u>PZ Cape Fear, LLC</u></a>	<a href="#"><u>108 S. Kerr Ave., Ste A Wilmington, NC 28403</u></a>	<a href="#"><u>(910) 900-7959</u></a>
<b>Oklahoma</b>		
<a href="#"><u>FG Dazzle Movers, LLC</u></a>	<a href="#"><u>2445 W I44 Service Rd. B Oklahoma City, OK 73112</u></a>	<a href="#"><u>(572) 910-7010</u></a>
<b>Tennessee</b>		
<a href="#"><u>LPM Enterprises, LLC</u></a>	<a href="#"><u>2844 B Logan St. Nashville, TN 37211</u></a>	<a href="#"><u>(615) 866-0986</u></a>

**LIST OF FRANCHISEES  
SOLD BUT NOT YET OPEN  
(As of December 31, ~~2023~~2022)**

FRANCHISEE	ADDRESS	PHONE
<b>Alabama</b>		
<u>Culpepper Enterprises, LLC</u>	<u>1625 E University Dr., Ste 106 Auburn, AL 36830</u>	<u>(334) 530-6062</u>
<u>Light Striped Horse, LLC</u>	<u>166 Government Street, Suite 220, Mobile, AL 36602</u>	<u>(251) 999-7222</u>
<b>Georgia</b>		
<u>Altonig Moving, LLC</u>	<u>1745 Defoor Place NW Atlanta, GA 30318</u>	<u>(404) 223-1848</u>
<u>The Tibbitts Moving, LLC</u>	<u>TBD</u>	<u>(770) 880-8558</u>
<b>Massachusetts</b>		
<u>Maple Trail Movers, LLC</u>	<u>500 Lincoln Street Boston, MA 02134</u>	<u>(617) 567-1878</u>
<b>Missouri</b>		
<u>PEC Movers, LLC</u>	<u>14280 Ladue Road Chesterfield, MO 63017</u>	<u>(636) 590-7729</u>
<b>New Jersey</b>		
<u>Local Moving &amp; Storage, LLC</u>	<u>399 Campus Drive Somerset, NJ 08873</u>	<u>(908) 895-8655</u>
<u>Ralph Moving, LLC</u>	<u>3021 Sandy Parkway, Bldg 1, Ste A Columbus, GA 31909</u>	<u>(762) 257-6862</u>
<b>North Carolina</b>		
<u>Movers and Shakers, LLC</u>	<u>1016 W. Craighead Rd. Charlotte, NC 28206</u>	<u>(980) 322-0515</u>
<u>PZ Cape Fear, LLC</u>	<u>108 S. Kerr Ave., Ste A Wilmington, NC 28403</u>	<u>(910) 900-7959</u>
<b>Oklahoma</b>		
<u>FG Dazzle Movers, LLC</u>	<u>2445 W I44 Service Rd. B Oklahoma City, OK 73112</u>	<u>(572) 910-7010</u>
<b>South Carolina</b>		

FRANCHISEE	ADDRESS	PHONE
Movers and Shakers, LLC	Fort Mill, SC	(980) 332-0515
<b>Tennessee</b>		
LPM Enterprises, LLC	Murfreesboro, TN	(615) 866-0986
<del>LPM Enterprises, LLC</del>	<del>2844 B Logan St. Nashville, TN 37211</del>	<del>(615) 866-0986</del>

**COMPANY OWNED**

(As of December 31, ~~2023~~2022)

ADDRESS	PHONE
<b>Alabama</b>	
<del>4141 White Oak Dr. #201 Vestavia Hills, AL 35243</del>	<del>(205) 859-4748</del> None

**EXHIBIT "C" TO THE DISCLOSURE DOCUMENT**

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**LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM**

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**List of Former Franchisees**

FRANCHISEE	ADDRESS	PHONE
<b><u>Alabama</u></b>		
<u>Linin' Large, LLC</u>	<u>804 Beech Court Mountain Brook, AL 35213</u>	<u>(205) 218-5730</u>
<u>Culpepper Enterprises, LLC*</u>	<u>3510 Dunbrooke Drive Birmingham, AL 35243</u>	<u>(205) 240-3776</u>
<b>None</b>		

**\* Note: Transfer**

**EXHIBIT “D” TO THE DISCLOSURE DOCUMENT**

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**FORM OF CONFIDENTIAL OPERATING MANUAL**

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**Pink Zebra Moving Confidential Operations Manual**

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Chapter 7 Pricing  
Chapter 8 Sales and Marketing  
Chapter 9 Operations  
Chapter 10 Customer Service  
Chapter 11 Safety Manual  
Chapter 12 Unit Level Economics

Total Pages .....237

**EXHIBIT "E" TO THE DISCLOSURE DOCUMENT**

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**LIST OF STATE AGENCIES/AGENTS  
FOR SERVICE OF PROCESS**

---

State Agencies/Agents for Service of Process		
STATE	ADDRESS	PHONE
California - Los Angeles Department of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105	213-576-7500
California - Sacramento	2101 Arena Boulevard Sacramento, CA 95834	916-445-7205
California - San Diego	1455 Frazee Road, Suite 315 San Diego, CA 92108	619-525-4233
California - San Francisco	One Sansome Street, Suite 600 San Francisco, CA 94104-4428	415-972-8565
Hawaii Commissioner of Securities	335 Merchant Street, Room 203 Honolulu, HI 96813-2921	808-586-2722
Illinois Illinois Attorney General	500 South Second Street Springfield, IL 62706	217-782-4465
Indiana Secretary of State	200 W. Washington Street, Room 201 Indianapolis, IN 46204	317-232-6681
Maryland Administrator: Office of the Attorney General Securities Division  Agent for Service of Process Maryland Securities Commissioner	200 St. Paul Place, 20th Floor Baltimore, MD 21202-2020  200 St. Paul Place Baltimore, MD 21202-2020	410-576-6360
Michigan <u>Administrative</u> <u>State of Michigan Department of</u> <u>Attorney General</u>  <u>Agent for Service of Process</u> Department of Commerce, Corporations, <u>and Securities &amp; Licensing Bureau</u>	<u>G. Menne Williams Building</u> 525 W. Ottawa Street Lansing, MI 4890943  <u>2407 N. Grand River Ave.</u> <u>Lansing, MI 48906</u>	517- <del>335-762273</del> 7117
Minnesota Minnesota Commissioner of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101-2198	651-539-1600
New York Administrator: New York State Department of Law Investor Protection Bureau  Agent for Service of Process Secretary of State	28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005  99 Washington Avenue Albany, NY 1223	212-416-8222  518-473-2492
North Dakota North Dakota Securities Commissioner	600 East Boulevard Avenue, State Capital, 5th Floor Bismarck, ND 58505	701-328-2910
Rhode Island Department of Business Regulation	1511 Pontiac Avenue Cranston, RI 02920	401-462-9587
South Dakota Director of Division of Securities	124 S. Euclid Ave., Suite 104 Pierre, SD 57501-3185	605-773-4823
Virginia Clerk of the State Corporation Commission	1300 E. Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219-3630	804-371-9051
Washington Director of Dept. of Financial Institutions	150 Israel Road, SW Tumwater, WA 98501	360-902-8760
Wisconsin	345 W. Washington Ave., 4th Floor Madison, WI 53703	608-266-8557

**EXHIBIT “F” TO THE DISCLOSURE DOCUMENT**

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**FORM OF FRANCHISE AGREEMENT**

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**PINK ZEBRA MOVING, LLC**

**FRANCHISE AGREEMENT**

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\_\_\_\_\_  
Agreement Date

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\_\_\_\_\_

**PINK ZEBRA MOVING, LLC  
FRANCHISE AGREEMENT**

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**EXHIBITS:**

Exhibit “ONE A”	Protected Territory
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Exhibit “ONE C”	ACH Origination Authorization
Exhibit “ONE D”	Applicable State Specific and Other Addenda and Riders

## PINK ZEBRA MOVING, LLC FRANCHISE AGREEMENT

**THIS FRANCHISE AGREEMENT** (the “Agreement”) is effective as of the \_\_\_ day of \_\_\_\_\_ (the “Agreement Date”). The parties to this Agreement are **PINK ZEBRA MOVING, LLC**, An Alabama limited liability company, with its principal business address at 505 20th Street North, Suite 1010, Birmingham, AL 35203 (referred to in this Agreement as “Franchisor,” “we,” “us” or “our”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (referred to in this Agreement as “Franchisee,” “you” or “your”).

### 1. INTRODUCTION.

**1.1 Pink Zebra Moving Franchise.** We and our affiliates have expended considerable time and effort in developing a system for providing local moving and packing services with the primary goal of providing consistent, timely and professional moving and packing services, emphasizing a positive customer experience. We operate under the Marks (defined below) and under distinctive business formats, methods, procedures, signs, equipment, trade dress, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time (collectively, the “System”).

We use, promote and license certain trademarks, services marks and other commercial symbols in the operation of our franchise, including the trade name, trademark and service mark “Pink Zebra Moving” and other associated designs, artwork and trade dress, which have gained and continue to gain public acceptance and goodwill, and we may create, use and license additional trademarks, service marks and commercial symbols in conjunction with the operation of a Pink Zebra Moving Franchise (collectively, the “Marks”). We grant to persons who meet our qualifications and are willing to undertake the investment and effort, a franchise to own and operate a Pink Zebra Moving Franchise offering the products and services we authorize and approve and utilizing the System. You have applied to own and operate a Pink Zebra Moving Franchise.

### **1.2 Confirmations.** You acknowledge and agree that:

- a. you have read this Agreement and our Franchise Disclosure Document;
- b. you understand and accept the terms, conditions and covenants contained in this Agreement as being necessary to maintain our high standards of quality and service and the uniformity of those standards at each Pink Zebra Moving Franchise and to protect and preserve the goodwill of the Marks;
- c. you have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that, like any other business, the nature of the business conducted by a Pink Zebra Moving Franchise may evolve and change over time;
- d. an investment in a Pink Zebra Moving Franchised Business involves business risks and that your business abilities and efforts are vital to the success of the venture;

e. any information you acquire from other Pink Zebra Moving franchisees relating to their sales, profits or cash flows does not constitute information obtained from us, nor do we make any representation as to the accuracy of any such information;

f. in all of their dealings with you, our officers, directors, employees and agents act only in a representative, and not in an individual, capacity. All business dealings between you and such person as a result of this Agreement are solely between you and us;

g. we have advised you to have this Agreement reviewed and explained to you by an attorney;  
and

h. we have provided to you a copy of our Franchise Disclosure Document at least 14 calendar days prior to the execution of the Franchise Agreement or our receipt of any consideration from you.

**1.3 Representations.** You represent to us, as an inducement to our entry into this Agreement, that all statements you have made and all materials you have submitted to us in connection with your purchase of the franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise. We have approved your request to purchase a franchise partially in reliance on all of your representations.

**1.4 Business Organization and Ownership Information.** If you have obtained our prior approval and Franchisee is a corporation, partnership, limited liability company or other form of legal entity, Franchisee and the owners agree, represent, warrant and covenant that:

a. you have the authority to execute, deliver and perform your obligations under this Agreement and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

b. your organizational or governing documents will recite that the issuance and transfer of any ownership interests by you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;

c. Franchisee shall provide to Franchisor prior to the execution of this Agreement, true and correct copies, as applicable, of Franchisee's articles of incorporation, bylaws, partnership agreement, articles of organization and limited liability company operating agreement or limited liability company agreement and other governing documents and amendments thereto, as well as resolutions of the Board of Directors, partners or members authorizing entry into and performance of this Agreement. During the term of this Agreement, Franchisee shall promptly provide to Franchisor true and correct copies of any amendments or other changes to such governing documents. No such documents shall contain any provision that is contrary to or inconsistent with any provision of this Agreement;

d. you and your owners agree to revise the Principal Owners Statement as may be necessary to reflect any ownership changes and to furnish such other information about your organization or formation as we may request (no ownership changes may be made without our approval, which shall not be unreasonably withheld);

e. a Principal Owner of the Business Entity (with ownership of at least ten percent (10%) of its voting securities) must: (i) have management responsibility and authority over the Pink Zebra

Moving Franchise on a day-to-day basis; (ii) oversee the Pink Zebra Moving Franchise operations; (iii) be bound by our then-current form of Confidentiality Agreement (or other form satisfactory to us); and (iv) satisfactorily complete our initial training program and any other training programs we request during the term;

f. each of your owners during the term of this Agreement will sign and deliver to us our standard form of Principal Owner's Guaranty undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between you and us. A copy of our current form of Principal Owners Guaranty is attached to the Franchise Disclosure Document. The spouse of each of your owners will execute a spousal consent in the form attached hereto as Exhibit "One B".

## 2. GRANT AND TERM.

**2.1 Term.** The term of the Franchise and this Agreement begins on the Agreement Date and expires ten (10) years and six (6) months from the Agreement Date. This Agreement may be terminated before it expires in accordance with its terms.

**2.2 Grant.** Subject to the terms of and upon the conditions contained in this Agreement, we grant you a franchise (the "Franchise") to: (a) Use the franchise in a geographical area specified in Exhibit "One A" attached hereto and made a part hereof; (b) Use the Marks solely in connection with operating the Pink Zebra Moving Franchise; (c) Use the system in the operation of the Pink Zebra Moving Franchise; (d) Franchisee must open the required number of offices set forth in Exhibit "One A" and the required office(s) must be opened and operated in a retail office, industrial park or other commercial locations approved by us within the geographical area set forth in Exhibit "One A" offering those services specified in our Confidential Operations Manual at equitable prices. Except as set forth in Paragraph 2.4 and its subparagraphs below, as long as you are in compliance with the Franchise Agreement, we will not grant to anyone else to operate, or ourselves to operate, a Pink Zebra Moving Franchise within the geographical area set forth in Exhibit "One A" (also known as "Protected Territory").

**2.3 Performance.** You agree that you will at all times faithfully, honestly and diligently perform your obligations, continuously exert your best efforts to promote and enhance the Pink Zebra Moving Franchised Business and not engage in any other business or activity that conflicts with your obligations to operate the Pink Zebra Moving Franchise in compliance with this Agreement. You may not operate the Pink Zebra Moving Franchise from any location other than the office we have approved and designated in Exhibit "One A" (without our prior written consent) which must be within your Protected Territory set forth in Exhibit "One A". At all times, either you or one of your Principal Owners must meet our qualifications for management responsibility and authority over the operations of the Pink Zebra Moving Franchise. In addition, at all times, the Pink Zebra Moving Franchised Business must be managed by a Branch Manager who has satisfactorily completed our Initial Training program.

**2.4 Rights We Reserve.** Notwithstanding any of the foregoing, we (and our affiliates):

a. retain the absolute right to establish, and grant to other franchisees the right to establish Pink Zebra Moving Franchises anywhere outside the Protected Territory, on such terms and conditions as we deem appropriate (even immediately outside the border of the Protected Territory), but not within the Protected Territory of your Pink Zebra Moving Franchise you open under this Agreement and continue to operate under it;

b. will not open a Competitive Business in the Protected Territory but may grant franchises, whether inside or outside the Protected Territory, to operate businesses specializing in the sale

of non-competitive products or provisions of services, using certain of the Marks and pursuant to such terms and conditions as we deem appropriate;

c. retain the absolute right to operate, and grant franchises to others to operate businesses or provide other services, whether inside or outside the Protected Territory, that do not use any of the Marks;

d. retain the absolute right to now, or in the future, purchase, merge, acquire, or affiliate with an existing competitive or non-competitive franchise network, chain, or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as a "Pink Zebra Moving" operating under the Marks or any proprietary marks or any of their marks following our purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be within the "Protected Territory" or proximate thereto, or proximate to any of the Franchisee's office(s)).

**2.5 Transactional and Consumer Data.** You acknowledge that during the term of this Franchise Agreement, all transactional and consumer data resulting from or obtained by your franchise, shall be the property of Franchisor.

We will have the right to assign this agreement, and all of its rights and privileges under this agreement, to any person, firm, corporation or other entity.

You agree and affirm that we have the absolute right to sell our self, our assets, Marks or other proprietary marks and/or our System to a third party; to go public; to engage in a private placement of some or all of our securities; to merge, acquire other corporations, or be acquired by another corporation; and/or to undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of Franchisor's name(s), Marks, proprietary marks (or any variation thereof) and system and/or the loss of association with or identification of "Pink Zebra Moving" as Franchisor under this Agreement. You specifically release any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing.

If we assign our rights in this Agreement, nothing herein shall be deemed to require us to remain in the franchising of Pink Zebra Moving businesses or any business which we now conduct.

### **3 SUCCESSOR TERMS.**

**3.1 Your Right to Acquire a Successor Franchise.** This Agreement expires ten (10) years and six (6) months from the Agreement Date. Upon expiration, if you (and each of your owners) have substantially complied with this Agreement during its term you will have the privilege to apply for successor franchises to operate the then existing Pink Zebra Moving Franchised Business, (each "successor franchise"), for three (3) additional ten (10) year and six (6) month periods on terms and conditions of the Franchise Agreement we are then using in granting successor franchises for the Pink Zebra Moving Franchised Business, which may contain materially different terms and conditions from this agreement, provided you have met the following conditions:

a. Franchisee shall have fully performed all obligations under the Franchise Agreement and not

failed to generate and obtain the gross revenue required in Paragraph 5.3.2 during the final twelve (12) months of the initial term; and

b. Franchisee shall not be in default of any provision of the Franchise Agreement or any other agreement with Franchisor, its affiliates, subsidiaries, and designees, if any; and

c. Franchisee shall have satisfied all monetary obligations to Franchisor, its affiliates, subsidiaries, and designees, if any, and shall have materially met such obligations in a timely and responsible manner throughout the initial term; and

d. Franchisee shall be in compliance with Franchisor's then-current qualification and training requirements set forth in the Confidential Operations Manual or elsewhere; and

e. Franchisee maintains possession of Franchisee's office and agrees to remodel and/or expand the office, add or make improvements to the office, equipment, software, signs and otherwise modify the Pink Zebra Moving Franchise operations as we require to bring the franchise into compliance with specifications and standards then applicable for a Pink Zebra Moving Franchise.

### **3.2 Grant of a Successor Franchise.**

a. Your Election: You agree to give us written notice of your election to acquire a Successor Franchise during the first ninety (90) days of the ninth (9<sup>th</sup>) year of this Agreement or during the first ninety (90) days of the ninth (9<sup>th</sup>) year of the term of any ten (10) year and six (6) month Successor Franchise. We agree to give you written notice ("Response Notice"), not more than ninety (90) days after we receive your notice, of our decision:

(i) to grant you a Successor Franchise;

(ii) to grant you a Successor Franchise on the condition that deficiencies of the Pink Zebra Moving Franchise are corrected; or

(iii) not to grant you a Successor Franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term.

b. Response Notice:

If applicable, our Response Notice will:

(i) describe the improvements or modifications required to bring the Pink Zebra Moving Franchise into compliance with the applicable specifications and standards for Pink Zebra Moving Franchises; and

(ii) state the actions you must take to correct operating deficiencies and the time period in which such deficiencies must be corrected.

If we elect not to grant a Successor Franchise, the Response Notice will describe the reasons for our decision. Your right to acquire a Successor Franchise is subject to your continued compliance with all of your terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in the Response Notice.

c. **Deficiencies:** If our Notice states that you must cure certain deficiencies of the Pink Zebra Moving Franchise as a condition to the grant of a Successor Franchise, we will give you written notice of a decision not to grant a Successor Franchise unless you cure such deficiencies, not less than ninety (90) days prior to the expiration of this Agreement. However, we will not be required to give you such notice if we decide not to grant you a Successor Franchise. If we fail to give you:

(i) notice of deficiencies within ninety (90) days after we receive your timely election to acquire a Successor Franchise; or

(ii) notice of our decision not to grant a Successor Franchise at least ninety (90) days prior to the expiration of this Agreement, if such notice is required.

We may extend the term of this Agreement for such period of time as is necessary in order to provide you with either reasonable time to correct deficiencies or ninety (90) days' notice of our refusal to grant a Successor Franchise.

**3.3 Agreements/Releases.** If you satisfy all of the other conditions to the grant of a Successor Franchise, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we are then customarily using in connection with the grant of Successor Franchises. You and your owners further agree to execute general releases, in the form attached to the Franchise Disclosure Document, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns. Failure by you or your owners to sign such agreements and releases and deliver them to us for acceptance and execution within sixty (60) days after their delivery to you will be deemed an election not to acquire a Successor Franchise.

**3.4 Training and Refresher Programs.** Our grant of a Successor Franchise is also conditioned on the satisfactory completion by you (or and Operating Partner of yours approved by us) of any new training and refresher programs as we may reasonably/require. You are responsible for travel, living and compensation costs of attendees.

**3.5 Successor Fee and Expenses.** Our grant of a Successor Franchise is contingent on your payment to us of a Renewal Franchise fee equal to five percent (5%) of our then current Initial Franchise Fee. We must receive the fee from you when you sign the Successor Agreement.

**3.6 Subsequent Successor Franchises.** The fees and other conditions for any later granting of subsequent Successor Franchises will be governed by the Successor Franchise Agreement (as described above).

#### 4. PROTECTED TERRITORY AND OFFICE SITE SELECTION.

##### 4.1 Protected Territory

(a) Franchisor in its sole discretion, grants you a franchise to operate a Pink Zebra Moving Franchise within the protected Territory described in Exhibit "A-1". The size of your Protected Territory is further specified and set forth in Exhibit "One A", attached hereto and A-1 made a part of this Franchise Agreement by reference.

(b) You may not perform any business, nor services, or actively market for customers geographically located outside your Protected Territory described in Exhibit "One A". If you request, and

we approve your request in writing, to service customers in territories outside your Protected Territory described in Exhibit “One A”, and subsequently withdraw our approval or award a Pink Zebra Moving Franchise to another franchisee whose Protected Territory includes customers that you have been servicing, all information regarding these customers is to be immediately transferred to us. In addition, you will immediately discontinue any and all solicitation of customers in said geographical area and will refer any request for service outside your Protected Territory to the franchisee who has acquired the Pink Zebra Moving Franchise for the geographical area. You will receive no compensation for the cessation of service or delivery of information we require from you and your failure to comply with our written notice requiring cessation and customer transfer is a default under this Franchise Agreement and may result in the termination of the Franchise Agreement, and you are required to remit one hundred percent (100%) of any revenue received after our written notice to the franchisee whose Protected Territory included the customers you serviced after our written notice requiring cessation of service to the customer(s) outside your Protected Territory. In the event we send you written notice requiring cessation of services to any customers or party outside your Protected Territory and you receive revenue from a customer outside your Protected Territory and it is outside of any other franchisee’s Protected Territory, you must remit one hundred percent (100%) of the revenue to us.

(c) Franchisee must achieve the Minimum Annual Gross Revenue per Protected Territory specified in the following Chart hereafter:

Month	One Territory	Second Territory	Third Territory	Fourth Territory	Fifth Territory
Months 1-12	N/A	N/A	N/A	N/A	N/A
Months 13-24 <sup>+</sup>	<u>\$285,000</u> <del>300,000</del>	<u>\$356,250</u> <del>\$200,000</del>	<u>\$445,312.50</u> <del>\$165,000</del>	<u>\$556,640.63</u> <del>\$145,000</del>	<u>\$695,800.78</u> <del>\$140,000</del>
Months 25-36	<del>\$500,000</del>	<del>\$300,000</del>	<del>\$235,000</del>	<del>\$200,000</del>	<del>\$180,000</del>
Months 37-48	<del>\$600,000</del>	<del>\$350,000</del>	<del>\$265,000</del>	<del>\$225,000</del>	<del>\$200,000</del>
Month 49 and each month thereafter during the initial term or successor term	<del>\$700,000</del>	<del>\$400,000</del>	<del>\$300,000</del>	<del>\$250,000</del>	<del>\$220,000</del>

You must achieve the Minimum Annual Gross Revenue listed in the above Chart for each of your Protected Territories during each twelve (12) month period for the initial term or successor term of your Franchise Agreement(s).

**4.2 Office Site(s).** You have applied for a franchise to own and operate a Pink Zebra Moving Franchise with the number of offices specified in Exhibit “One A” to this Franchise Agreement. During the period ending on the one hundred twentieth (120<sup>th</sup>) day following the Agreement Date (the “Office Site Selection Period”), you must identify, submit to us for acceptance, and obtain our acceptance of the office site or if you have a Multi-Territory Addendum Franchise Agreement, you must obtain our

approval of the total number of Office Sites specified in Exhibit “One A”, which must be located within the Protected Territory.

a. Office Site Identification: Prior to the one hundred twentieth (120<sup>th</sup>) day following the Agreement Date, you must identify your proposed office site(s) (which must be located within the Protected Territory) and submit it (them) to us for our acceptance. If we notify you that we will not accept a proposed Office Site, you must, within the next thirty (30) days of our notice rejecting that proposed Office Site (but prior to the expiration of the Office Site Identification Period), identify and submit to us an alternative proposed Office Site, for our review and acceptance within the Protected Territory.

b. Office Site Acceptance: We are not obligated to evaluate or accept any proposed Office Site submitted to us for acceptance after the expiration of the Office Site Identification Period or outside the Protected Territory. Once you have identified the Office Site and we have accepted it (them if specified in Exhibit “One A”) and the lease has been reviewed and is acceptable to us, we will complete Exhibit “One A” and provide it to you. If you have not identified and obtained our acceptance of an Office Site prior to signing this Agreement, you (with or without our assistance) must, within the Office Site Identification Period, identify, submit to us and obtain our acceptance (in our sole judgment) of an Office Site located within the Protected Territory. However, if as of the expiration of the Office Site Identification Period we have yet to notify you whether we will accept or reject an Office Site that was submitted to us for review during the Office Site Identification Period, we will have 30 days following the end of the Office Site Identification Period to notify you of our decision to accept or reject that proposed office site. If we do not accept an Office Site during that thirty (30) day period following the Office Site Identification Period, we will not be obligated to permit you to submit an alternative proposed Office Site to us.

#### **4.3 Lease of Office Site.**

a. Lease of Office Site: You agree to deliver copies of the proposed lease agreement and related documents to us prior to signing them. You agree not to sign any lease agreement or related documents (or any renewal of it) unless we have previously approved them. Our approval, which will not be unreasonably withheld, will be limited to ensuring that the lease is consistent with this Agreement. If we approve the lease, you agree to deliver a copy of the signed lease to us within fifteen (15) days after its execution along with the Lease Assignment.

b. Lease Assignment: When entering into such a lease, you and the lessor must sign our then-current form of Conditional Assignment and Assumption of Lease Agreement (the “Lease Assignment”). You will give the lessor our form of the Lease Assignment when you begin discussions with the prospective lessor. You agree not to sign any lease or renewal of a lease unless you have also obtained the Lease Assignment signed by the lessor.

c. Mandatory Lease Terms: We may require that the lease or any renewal contain certain provisions, including the following:

(i) a provision which requires the lessor to contemporaneously provide us with copies of any written notice of default under the lease sent to you and which grants to us, at our option, the right (but not the obligation) to cure any default under the lease (should you fail to do so) within fifteen (15) days after the expiration of the period in which you may cure the default;

(ii) a provision which evidences your right to display the Marks in accordance with the specifications required by the Confidential Operating Manuals, subject only to the provisions of applicable law;

(iii) a provision which requires that any lender or other person will not disturb your possession of the Office Site so long as the lease term continues and you are not in default (along with such documents as are necessary to ensure that such lenders and other persons are bound);

(iv) a provision which expressly states that any default under the lease which is not cured within any applicable cure period also constitutes grounds for termination of this Agreement;

(v) a lease term which is at least equal to the initial term of this Agreement, either through an initial term of that length or right, at your option, to renew the lease for the full term of this Agreement; and

(vi) the premises must be operated as a Pink Zebra Moving Franchise.

d. **No Warranty:** You acknowledge that our approval of the lease for the Office Site indicates only that we believe that the Office Site and the terms of the lease fall within the acceptable criteria we have established as of the time of our approval. You further acknowledge that we have advised you to have an attorney review and evaluate the lease.

**4.4 Ownership and Financing.** Instead of leasing an Office Site, you may propose to purchase, construct, own and operate your Pink Zebra Moving Franchise on real property owned by you or through an affiliate. You must meet certain conditions if you or an affiliate own an Office Site or at any time prior to acquisition, or subsequently, you or your affiliates propose to obtain any financing with respect to the Office Site or for your Operating Assets in which event any of such items are pledged as collateral securing your performance. The form of any purchase contract with the seller of an Office Site and any related documents, and the form of any loan agreement with or mortgage in favor of any lender and any related documents, must be approved by us before you sign them. Our consent to them may be conditioned upon the inclusion of various terms and conditions, including the following:

a. a provision which requires any lender or mortgagee concurrently to provide us with a copy of any written notice of deficiency or default under the terms of the loan or mortgage sent to you or your affiliates or the purchaser;

b. a provision granting us, at our option, the right (but not the obligation) to cure any deficiency or default under the loan or mortgage (should you fail to do so) within fifteen (15) days after the expiration of a period in which you may cure such default or deficiency; and

c. a provision which expressly states that any default under the loan or mortgage, if not cured within the applicable time period, constitutes grounds for termination of this Agreement and any default under this Agreement, if not cured within the applicable time period, also constitutes a default under the loan or mortgage.

## 5. FEES AND DESCRIPTION.

**5.1 Initial Franchise Fee.** In consideration for our grant of this franchise, you agree to pay us the sum of thirty thousand dollars (\$30,000) as the Initial Franchise Fee. The Initial Franchise Fee is due upon execution of the Franchise Agreement and is deemed fully earned and non-refundable. Franchisee agrees that the grant of this franchise constitutes the sole consideration for payment of the

Initial Franchise Fee.

## 5.2 Territory Development Fee.

a. **Calculation.** In addition to the Initial Franchise Fee, you will also pay us a Territory Development Fee equal to five cents (\$0.05) times the number of ~~2022 census~~2023 census total population in your Protected Territory. The minimum size of a Protected Territory is three hundred thousand (300,000) ~~2022 census~~2023 census total population and the maximum size of a Protected Territory is six hundred thousand (600,000) ~~2022 census~~2023 census total population. The size of your Protected Territory is specified in Exhibit “One A” of the Franchise Agreement.

b. **Conversion.** In our sole discretion, we may offer a discount of our Territory Development Fee to an existing business providing local moving services that desires to convert their business to a Pink Zebra Moving Franchise. The Initial Franchise Fee for a conversion franchise is equal to our then current Territory Development Fee, reduced by an amount equal to ten percent (10%) of the total Gross Revenue of your Local moving business for the previous year, but in no event will the discount exceed ten thousand dollars (\$10,000). By way of illustration, but not of limitation, if the Territory Development Fee is thirty thousand dollars (\$30,000) and you are entitled to a ten thousand dollar (\$10,000) discount, the Territory Development Fee due upon execution of the Franchise Agreement will be twenty thousand dollars (\$20,000).

c. **Amount of Your Territory Development Fee.** The Territory Development Fee you must pay us at the time you sign this Franchise Agreement is \$\_\_\_\_\_. The Territory Development Fee is deemed fully earned and non-refundable. Franchisee agrees the grant of this franchise constitutes the sole consideration for payment of the Territory Development Fee.

**5.3 Continuing License Fee.** In addition to the Initial Franchise Fee, you shall pay us a semi-monthly Continuing License Fee equal to seven percent (7%) of all Gross Revenue (defined in 5.5 below) for the first one and a half million dollars (\$1.5M) of Gross Revenue in any calendar year. For any yearly Gross Revenue, as defined in 5.5 below, exceeding one and a half million dollars (\$1.5M) during any calendar year, you shall pay a Continuing License Fee of six percent (6%) of yearly Gross Revenue exceeding one and a half million dollars (\$1.5M) up to three million dollars (\$3M) of calendar yearly Gross Revenue (defined in 5.5 below). For all calendar yearly Gross Revenue, exceeding three million dollars (\$3M), you shall pay a Continuing License Fee of five percent (5%) of calendar yearly gross revenue. The Continuing License Fee is due and payable on the fifth (5<sup>th</sup>) and twentieth (20<sup>th</sup>) day of each month, or the next business day if either such day is not a business day. The Continuing License Fee payable on the fifth (5<sup>th</sup>) day of each month is calculated from Gross Revenue generated during the period from the sixteenth (16<sup>th</sup>) day of the previous calendar month to the last day of such month. The Continuing License Fee payable on the twentieth (20<sup>th</sup>) day of each month is calculated based upon Gross Revenue generated in the period from the first (1<sup>st</sup>) day through the fifteenth (15<sup>th</sup>) day of the current month.

**5.3.1 Minimum Continuing License Fee.** Franchisee must pay a ~~M~~minimum Continuing License Fee equal to the amount in the Chart below. ~~The Minimum Continuing License Fee shall be calculated and assessed on a quarterly basis. Sales from the first (1<sup>st</sup>) day through the final day of each Quarter shall be reviewed on the third (3<sup>rd</sup>) day of the succeeding Quarter and deficiencies are payable on the fifth (5<sup>th</sup>) day of that month. ; for each reporting period first (1<sup>st</sup>) through the fifteenth (15<sup>th</sup>) of each calendar month and the sixteenth (16<sup>th</sup>) through the end of each calendar month.~~

### Minimum Continuing License Fee

<u>Quarters</u>	<u>One Territory</u>	<u>Two Territories</u>	<u>Three Territories</u>	<u>Four Territories</u>	<u>Five Territories</u>
<u>Year One</u>					
<u>January 1<sup>st</sup> – March 31<sup>st</sup></u>	<u>a) \$0.00</u>	<u>a) \$0.00</u>	<u>a) \$0.00</u>	<u>a) \$0.00</u>	<u>a) \$0.00</u>
<u>April 1<sup>st</sup> – June 30<sup>th</sup></u>	<u>b) \$0.00</u>	<u>b) \$0.00</u>	<u>b) \$0.00</u>	<u>b) \$0.00</u>	<u>b) \$0.00</u>
<u>July 1<sup>st</sup> – September 30<sup>th</sup></u>	<u>c) \$0.00</u>	<u>c) \$0.00</u>	<u>c) \$0.00</u>	<u>c) \$0.00</u>	<u>c) \$0.00</u>
<u>October 1<sup>st</sup> – December 31<sup>st</sup></u>	<u>d) \$0.00</u>	<u>d) \$0.00</u>	<u>d) \$0.00</u>	<u>d) \$0.00</u>	<u>d) \$0.00</u>
<u>Year Two and each month thereafter</u>					
<u>January 1<sup>st</sup> – March 31<sup>st</sup></u>	<u>a) \$3,150</u>	<u>a) \$3,938</u>	<u>a) \$4,921</u>	<u>a) \$ 6,152</u>	<u>a) \$ 7,690</u>
<u>April 1<sup>st</sup> – June 30<sup>th</sup></u>	<u>b) \$6,300</u>	<u>b) \$7,875</u>	<u>b) \$9,844</u>	<u>b) \$12,305</u>	<u>b) \$15,381</u>
<u>July 1<sup>st</sup> – September 30<sup>th</sup></u>	<u>c) \$6,300</u>	<u>c) \$7,875</u>	<u>c) \$9,844</u>	<u>c) \$12,305</u>	<u>c) \$15,381</u>
<u>October 1<sup>st</sup> – December 31<sup>st</sup></u>	<u>d) \$4,200</u>	<u>d) \$5,250</u>	<u>d) \$6,563</u>	<u>d) \$ 8,203</u>	<u>d) \$10,254</u>
<u>Months</u>	<u>One Territory</u>	<u>Second Territory</u>	<u>Third Territory</u>	<u>Fourth Territory</u>	<u>Fifth Territory</u>
<b>1-12 months:</b>					
e) <del>1<sup>st</sup> through 15<sup>th</sup></del>	a) <del>\$ 0.00</del>	a) <del>\$ 0.00</del>	a) <del>\$ 0.00</del>	a) <del>0.00</del>	a) <del>\$ 0.00</del>
d) <del>16<sup>th</sup> through end of month</del>	b) <del>\$ 0.00</del>	b) <del>\$ 0.00</del>	b) <del>\$ 0.00</del>	b) <del>0.00</del>	b) <del>\$ 0.00</del>
<b>13-24 months:</b>					
e) <del>1<sup>st</sup> through 15<sup>th</sup></del>	a) <del>\$ 875.00</del>	a) <del>\$ 583.33</del>	a) <del>\$481.25</del>	a) <del>\$422.92</del>	a) <del>\$408.33</del>
d) <del>16<sup>th</sup> through end of month</del>	b) <del>\$ 875.00</del>	b) <del>\$ 583.33</del>	b) <del>\$481.25</del>	b) <del>\$422.92</del>	b) <del>\$408.33</del>
<b>25-36 months:</b>					
e) <del>1<sup>st</sup> through 15<sup>th</sup></del>	a) <del>\$1,458.33</del>	a) <del>\$ 875.00</del>	a) <del>\$685.42</del>	a) <del>\$583.33</del>	a) <del>\$525.00</del>
d) <del>16<sup>th</sup> through end of month</del>	b) <del>\$1,458.33</del>	b) <del>\$ 875.00</del>	b) <del>\$685.42</del>	b) <del>\$583.33</del>	b) <del>\$525.00</del>
<b>37-48 months:</b>					
e) <del>1<sup>st</sup> through 15<sup>th</sup></del>	a) <del>\$1,750.00</del>	a) <del>\$1,020.83</del>	a) <del>\$772.92</del>	a) <del>\$656.25</del>	a) <del>\$583.33</del>
d) <del>16<sup>th</sup> through end of month</del>	b) <del>\$1,750.00</del>	b) <del>\$1,020.83</del>	b) <del>\$772.92</del>	b) <del>\$656.25</del>	b) <del>\$583.33</del>
<b>49 month and each month thereafter during the initial term or successor term</b>					
e) <del>1<sup>st</sup> through 15<sup>th</sup></del>	a) <del>\$2,041.67</del>	a) <del>\$1,166.67</del>	a) <del>\$875.00</del>	a) <del>\$729.17</del>	a) <del>\$641.67</del>
d) <del>16<sup>th</sup> through end of month</del>	b) <del>\$2,041.67</del>	b) <del>\$1,166.67</del>	b) <del>\$875.00</del>	b) <del>\$729.17</del>	b) <del>\$641.67</del>

**5.3.2** If franchisee fails to achieve the level of Gross Revenue necessary in order to pay the minimum Continuing License Fee three (3) times in any twelve (12) month period during the term of this Agreement, but after the initial twelve (12) months of operation (when no minimum Continuing License Fee is required), the Franchisor has the right in our sole and absolute discretion, to terminate this Agreement or reduce the size of your Protected Territory and/or grant franchises within your Protected Territory.

**5.4 Electronic Funds Transfer and Payment Procedure.** We require you to pay all payments of the Continuing License Fee or any other amounts due under this Agreement to us by electronic funds transfer. You will execute our current authorization attached as Exhibit "One C". We may require you to execute another substitute authorization upon five (5) day notice to you. The

Continuing License Fee is due and payable on the date set forth in Paragraph 5.3 and the subparagraphs thereafter. We may designate different Payment Days for different amounts due to us under this Agreement (e.g., Marketing and Advertising Fund Fee, etc.). You agree to comply with the procedures we specify in our Confidential Operating Manuals and perform such acts and sign and deliver such documents as may be necessary to accomplish payment by this method. You will give us authorization, in a form that we designate, to initiate debit entries or credit correction entries to your bank operating account (the "Account") for payments of Continuing License Fees, Marketing and Advertising Fund Fees and other amounts due under this Agreement, including any applicable interest charges. You will make the funds available in the Account for withdrawal by electronic transfer no later than the Payment Day. The amount actually transferred from the Account to pay Continuing License Fees and Marketing and Advertising Fund Fees will be based on the Pink Zebra Moving Franchised Business Gross Revenue reported to us. If you have not reported the Pink Zebra Moving Franchised Business Gross Revenue for any reporting period, we will transfer from the Account an amount calculated in accordance with our reasonable estimate of the Pink Zebra Moving Franchise's Gross Revenue during any such reporting period. If we determine at any time that you have under-reported Gross Revenue or underpaid Continuing License Fees or other amounts due to us, we will be authorized to immediately initiate a transfer from the Account in the appropriate amount in accordance with the foregoing procedures, including applicable interest and late charges. Any overpayment will be credited to the Account through a credit, effective as of the first (1<sup>st</sup>) reporting date after you and we determine that such credit is due.

**5.5 Definition of "Gross Revenue".** "Gross Revenue" means the aggregate of all billings whether collected or not, including cash sales and sales on account, monies billed or collected for any and all moving services whether performed by franchisee or subcontracted, monies billed in connection with trade or barter agreements, or monies billed or collected by Franchisee for any sale of products, or any other items including without limitation, all proceeds from any business interruption insurance, but excluding (a) all refunds made in good faith, (b) any sales and equivalent taxes that are collected by franchisee for or on behalf of and paid to any governmental taxing authority, and any rebate received by franchisee from a manufacturer or supplier.

**5.6 Interest on Late Payments.** All amounts which you owe us will bear interest after their due date at the highest contract rate of interest permitted by law, or the annual rate of five percent (5%) per month, whichever is less. You acknowledge that we do not agree to accept any payments after they are due nor commit to extend credit to, or otherwise finance your operation of, the Pink Zebra Moving Franchised Business. Your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 15 of this Agreement.

**5.7 Late Payment Penalties.** All Continuing License Fees, Marketing and Advertising Fund Fees, Local Marketing Services Fees, all fees of any nature or other charges in this Franchise Agreement, amounts due for purchases by you from us, and any interest accrued thereon, and any other amounts which you owe us, or our affiliates, are subject to a late payment fee of ten percent (10%) of the amount due. The late payment fee is due immediately on any delinquent payments. The provision in this Agreement concerning late payment fees survives termination or expiration of this Agreement and does not mean that we accept or condone late payments, nor does it indicate that we are willing to extend credit to, or otherwise finance the operation of, your Pink Zebra Moving Franchised Business.

**5.8 Application of Payments.** Notwithstanding any designation you might make, we have the absolute right to apply any of your payments to any of your past due indebtedness to us. You acknowledge and agree that we have the right to set off any amounts you or your owners owe us against any amounts we might owe you or your owners.

**5.9 Payment Offsets.** We may set off from any amounts that we may owe you any amount

that you owe to us for any reason whatsoever, including without limitation, Continuing License Fees, Marketing and Advertising Fund Fees, Local Marketing Services Fees, all fees, penalties or other charges in this Franchise Agreement, late payment penalties and late payment interest, amounts owed to us for purchases or services or for any other reason. Thus, payments that we make to you may be reduced by amounts that you owe to us from time to time and that we have the absolute right to do so. In particular, we may retain any amounts that we have received for your account as a credit and payment against any amounts that you may owe to us at any time. We will notify you monthly if we do so.

**5.10 Discontinuance of Service.** If you do not pay amounts due to us timely under this Agreement, we may discontinue any services to you, without limiting any of our other rights in this Agreement.

**5.11 Telephone / Communications Fee.** You are required to pay us an ongoing monthly Telephone / Communications Fee of One Hundred and Seventy-five Dollars (\$175) per month for providing you with one (1) single e-mail address, ~~two~~ one (2) business phone numbers / line, ~~and one (1) line and one (1)~~ phone system. You will also pay us seven hundred dollars (\$700) at the time you sign this Franchise Agreement. The amount of seven hundred dollars (\$700) represents four (4) months of fees (one (1) monthly fee for the month prior to your opening and three (3) monthly fees after your opening (one hundred and seventy-five dollars (\$175) per month times four (4) equals seven hundred dollars (\$700)). The Telephone / Communications Fee will be paid to us by electronic funds transfer in the manner described above in 5.4 “Electronic Funds Transfer and Payment Procedure” and will be payable on the fifth (5<sup>th</sup>) day of each month. You agree to incur any cost in connection with required computer hardware to operate any software or hardware. Within thirty (30) days after you receive notice from us, you agree to obtain any additional or modified or substitute hardware as we may require from time to time. You acknowledge and agree that your telephone numbers and e-mail address(s) for the Franchised Business shall be our property and must therefore remain with us following termination or expiration of this Agreement.

**5.12 Uniforms.** You are required to purchase from us or an approved vendor at the commencement of your business, which commencement must be within two hundred forty (240) days of the Agreement Date, a minimum of twelve (12) crew member shirts in both pink and black, five (5) crew member hats, one (1) branch manager pink polo shirt and one (1) branch manager black polo shirt. Failure to wear required uniforms will result in a non-compliance fee of Two Hundred Dollars (\$200) per violation, which shall be payable upon Franchisor’s notice to Franchisee.

**5.13 Scheduling Software Service Fee.** You are required to use the Scheduling Software we specify in our Confidential Operations Manual. Your monthly Scheduling Software Service Fee will be electronically debited by Electronic Funds Transfer in accordance with Paragraph 5.4 “Electronic Funds Transfer and Payment Procedure.” The monthly fee is currently three hundred and ninety-nine dollars (\$399) per month for the first vehicles, but may be increased by one hundred seventy-five dollars (\$175) per additional vehicle if at any time the supplier increases the fee or more vehicles are added. This amount may be increased at any time if the approved vendor increases its fee.

**5.14 National Sales Center Fee.** You agree to commence using our National Sales Center and have all incoming calls made to your franchised business forwarded to our National Sales Center. We will route the customer to you if that customer’s work (where the work will be performed) is within your Protected Territory, unless: (i) we determine that the work is in the nature of an emergency and (a) you do not respond to the work assigned to you within a time period we, in our sole discretion, deem appropriate under the circumstances, or (b) you are not able to perform the required services for the customer within a time period we, in our sole discretion, deem appropriate; (ii) the work is of such a large scope and/or commercial nature that we, in our sole and absolute discretion determine that your franchised business is unable to perform the work in accordance with our System standards and specification and/or

the prevailing standard of care in the industry for the type of work requested (in which case we may route the work to you and additional franchisees, or other franchisees, or our affiliate, for completion); or (iii) the work is mistakenly routed to another franchisee or affiliate owned business due to either the customer providing incorrect information to our National Sales Center or inadvertent error of the National Sales Center representative when intaking information from the customer; or (iv) you are not operating your Pink Zebra Moving business in compliance with the Franchise Agreement; or (v) an area that includes your Protected Territory has been subjected to a disaster or catastrophe, as determined solely by us.

You agree to pay us a monthly National Sales Center Fee as follows: (i) For the first ~~six-three~~ (36) months after you have completed your Field Training the National Sales Center Fee is zero dollars (\$0) plus up to forty dollars (\$40) per successful sales conversion; and after the first ~~six-three~~ (36) months of completing your Field Training the National Sales Center Fee is Three Hundred Ninety Nine Dollars (\$399) per month plus up to forty dollars (\$40) per successful sales conversion. We reserve the right to increase the National Sales Center Fee in our sole discretion, after providing you with a thirty (30) day notice of increase.

If we, in our sole discretion, approve a multi-territory for adjacent territories, which operate from the same office, the National Sales Center Fee for each additional territory is set forth in Exhibit "H" to the Disclosure Document (Multi-Territory Addendum Pink Zebra Moving, LLC Agreement), which you must sign to operate any adjacent territory(ies) to your Protected Territory.

**5.15 CRM Fee.** You are required to use the Customer Relations Management ("CRM") software we specify. Upon a thirty (30) day written notice to you we may implement the CRM Fee and require you to pay a monthly CRM Fee which will be electronically debited by Electronic Funds Transfer in accordance with Paragraph 5.4 "Electronic Funds Transfer and Payment Procedure." The monthly CRM Fee may be increased at any time upon a thirty (30) day written notice to you.

## 6. TRAINING AND ASSISTANCE.

**6.1 Training.** Prior to the commencement of the Pink Zebra Moving Franchised Business by Franchisee, we or our designee will furnish an initial seventy-two (72) hour training program (approximately four (4) days in Jefferson County, Alabama and five (5) days at Franchisee's office or within Franchisee's Protected Territory) ("Initial Training") to you and/or your Branch Manager (or, if you are a Business Entity, your primary Branch Manager (the "Branch Manager")). The Branch Manager must successfully and fully complete Initial Training to our reasonable satisfaction. Upon successful completion of Initial Training, we will issue a certificate (the "Training Certificate") indicating the date of successful completion of Initial Training. Although we, or our designee, will furnish the Initial Training to the Branch Manager and you at no additional fee or other charge, you will be responsible for all travel and living expenses which the Branch Manager and you incur in connection with the training. You must pay us a fee in the amount of five hundred dollars (\$500) per day for each replacement Trainee trained by us, or our designee, or each person we provide additional training for, other than the initial trainees. You agree that failure to comply with any Initial Training requirement set forth in the Confidential Operations shall result in our right to impose a penalty of One Hundred Dollars (\$100) per day per day until all Initial Training requirements have been satisfied, in addition to and not in lieu thereof, all our other rights and remedies set forth in this Franchise Agreement.

**6.2 Ongoing Assistance.** We will provide continuing advisory assistance to you in the operation, and promotion of the Pink Zebra Moving Franchised Business as we deem necessary. We, or our designee, will also provide additional or refresher training programs for you as we deem appropriate. We will provide you, from time to time with advice and materials concerning techniques of managing and operating the Pink Zebra Moving Franchised Business. At your request, we will make additional or

refresher training in form and content as we deem appropriate available at your Pink Zebra Moving Franchised Business or at other locations we designate for an additional fee (the “Additional Training Fee”) at the rate of five hundred dollars (\$500) per day plus travel and living expense, minimum of one (1) day charge.

**6.3 Additional Training.** If, at any time after the Pink Zebra Moving Franchised Business opens, you replace your primary Branch Manager or replace one or more of your Operating Partners, you must ensure that such new personnel are satisfactorily trained and certified at an approved training facility at your expense. We may require the Trainees and/or other previously trained Branch Manager and/or Franchisee attend periodic refresher training courses at such times and locations that we designate. You must pay to us, or our designee, the Additional Training Fee set forth in Paragraph 6.1.

**6.4 General Guidance.** We will advise you from time to time regarding the operation of the Pink Zebra Moving Franchised Business based upon reports you submit to us or inspections we make. In addition, we will furnish guidance to you with respect to:

- a. standards, specifications and operating procedures, and methods utilized by Pink Zebra Moving Franchises;
- b. purchasing required equipment, signs, products, materials and supplies;
- c. use of suppliers, approved products, volume buying;
- d. advertising and marketing programs;
- e. training; and
- f. administrative, bookkeeping and accounting procedures.

Such guidance will, as we may determine, be furnished in our Confidential Operating Manuals, bulletins or other written materials and/or during telephone consultations and/or additional training.

**6.5 Seminars and Conferences.** You or your Branch Manager are required to attend our National Conference every year. If you have multiple territories, the Branch Manager of each territory must attend our National Conference every year. The National Conference shall be at such times and places and for the duration we designate. We may charge a fee for such convention and the amount of the fee may increase in the future. As of the date of this Franchise Agreement, the fee is one thousand dollars (\$1,000) (maximum of two (2) people per territory). The registration fee for a second territory is five hundred dollars (\$500) and for the third, fourth and fifth territory, the registration fee is two hundred fifty dollars (\$250) per territory per attendee (maximum of two (2) people per territory). If we agree upon additional attendees, the registration fee is five hundred dollars (\$500) per person. Upon you request, we may agree to allow additional attendees for an additional fee. Failure to attend any required seminar or convention will result in a non-attendance fee of two thousand dollars (\$2,000), which shall be payable upon Franchisor’s notice to Franchisee.

## **7. MARKS.**

**7.1 Ownership and Goodwill of Marks.** Your right to use the Marks is derived solely from this Agreement and limited to your operation of the Pink Zebra Moving Franchised Business at the approved office location pursuant to and in compliance with this Agreement and all System Standards we

prescribe from time to time during its term. Your unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that your usage of the Marks and any goodwill established by such use will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Pink Zebra Moving Franchised Business in compliance with this Agreement). All provisions of this Agreement apply to any additional proprietary trade and service marks and commercial symbols we authorize you to use.

**7.2 Limitations on Your Use of Marks.** You agree to use the Marks as the sole identification of the Pink Zebra Moving Franchised Business, except that you agree to identify yourself as the independent owner in the manner we prescribe in the Confidential Operating Manuals or otherwise. You may not use any Mark as part of any corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we license to you), or in any modified form, nor may you use any Mark in connection with any social media networking, including but not limited to, any postings on a social media site or social media network sites nor with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing. No Mark may be used in any advertising concerning the transfer, sale or other disposition of the Pink Zebra Moving Franchised Business or an ownership interest in you. You agree to display the Marks prominently in the manner we prescribe, on supplies or materials we designate and in connection with forms and advertising and marketing materials. You agree to give such notices of trade and service mark registrations as we specify and to obtain any fictitious or assumed name registrations required under applicable law.

**7.3 Notification of Infringements and Claims.** You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and you agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have the absolute right to take such action as we deem appropriate and the absolute right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. You agree to sign any and all instruments and documents, render such assistance and do such acts and things as, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office proceeding or otherwise to protect and maintain our interests in the Marks.

**7.4 Discontinuance of Use of Marks.** If we deem it advisable at any time in our sole control for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We will not be obligated to reimburse you for any direct or indirect loss, including loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

**7.5 Signage.** Signage must comply with all state and local laws and ordinances. You must limit your signage to “Pink Zebra Moving®”. The use of any other language is forbidden. If you employ any signage that does not comply with this Agreement, you will be in material breach of this Agreement. The signage must also incorporate the specific letter style/color and curvature associated with the “Pink Zebra Moving®” logo or other mark or logo as we may designate in writing from time to time. You must not use any signage that deviates from the standard logo unless and until you have submitted a request for such deviation to us in writing with drawings and we have approved such deviation in writing.

**7.6 Truck Wrap.** You are required to obtain the truck wrap for each of your trucks as specified in the Confidential Operations Manual. The Truck Wrap must be purchased and affixed to each of your trucks at the commencement of your business. If you use a Truck Wrap which does not comply with this Agreement and the Confidential Operations Manual or, if you fail to use the required truck wrap, you will be in material breach of this Agreement.

## **8. CONFIDENTIAL INFORMATION.**

**8.1 Types of Confidential Information.** We possess (and will continue to develop and acquire) certain confidential information (the “Confidential Information”) relating to the development and operation of Pink Zebra Moving Franchises which includes (without limitation):

- a. the System and the know-how related to its use;
- b. sources, design and methods of use of equipment, forms, materials, supplies, websites, Internet, “business to customer” networks or communities and other e-commerce methods of business;
- c. any marketing (including but not limited to websites, online advertising, social media marketing or presence, digital marketing and sponsorships), advertising and promotional programs for Pink Zebra Moving Franchises;
- d. staffing and delivery methods and techniques for moving services;
- e. the training of Branch Managers;
- f. the recruitment, qualification and investigation methods to secure employment candidates;
- g. any computer software we make available in the future or recommend;
- h. methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation, advertising and marketing of the Pink Zebra Moving Franchised Businesses;
- i. knowledge of specifications for and identities of and suppliers of certain products, materials, supplies and equipment;
- j. pricing recommendations, purchase agreement and contracts.

**8.2 Disclosure and Limitations on Use.** We will disclose much of the Confidential Information to you by furnishing the Confidential Operating Manual to you and by providing training, guidance and assistance to you. In addition, in the course of the operation of your Pink Zebra Moving Franchise, you or your employees may develop ideas, concepts, methods, techniques or improvements (“Improvements”) relating to your Pink Zebra Moving Franchise or the System, which you hereby agree to disclose to us. We will be deemed to own the Improvements, and the Improvements will constitute Confidential Information. We may use the Improvements and authorize you and others to use them in the operation of Pink Zebra Moving Franchised Businesses or any other aspect of the System.

**8.3 Confidentiality Obligations.** You agree that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development and

operation of your Pink Zebra Moving Franchise as we see fit, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary, includes trade secrets belonging to us, and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree, that you:

- a. will not use the Confidential Information in any other business or capacity;
- b. will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement;
- c. will not make unauthorized copies of any portion of the Confidential Information disclosed via electronic medium, in written form or in other tangible form, including, for example, the Confidential Operating Manual; and
- d. will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including, restrictions on disclosure to your employees and the use of nondisclosure and noncompetition agreements we may prescribe for employees or others who have access to the Confidential Information.

**8.4 Exceptions to Confidentiality.** The restrictions on your disclosure and use of the Confidential Information will not apply to the following:

- a. disclosure or use of information, processes, or techniques which are generally known and used in the moving business (as long as the availability is not because of a disclosure by you), provided that you have first given us written notice of your intended disclosure and/or use; and
- b. disclosure of the Confidential Information in judicial, administrative or arbitration proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially.

## **9. EXCLUSIVE RELATIONSHIP.**

You acknowledge and agree that we would be unable to protect Confidential Information against unauthorized use or disclosure or to encourage a free exchange of ideas and information among Pink Zebra Moving Franchised Businesses if franchisees of Pink Zebra Moving Franchised Businesses were permitted to hold interests in or perform services for a Competitive Business (defined below). You agree that, during the term of this Agreement, neither you nor any of your owners (nor any of your or your owners' spouses or children) will:

- a. have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business, other than the Pink Zebra Moving Franchise;
- b. have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business, wherever located; or
- c. perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located.

The term “Competitive Business” as used in this Agreement means any business or facility owning, operating or managing, or granting franchises or licenses to others to do so, any business selling or offering goods or services that feature any business enterprise or activity that involves marketing and/or selling and/or performing Intrastate or Interstate moving services, materials or services substantially similar to those handled, sold, distributed, offered or processed by Franchisor or directing any customer of the Pink Zebra Moving Franchised Business to any competitor, by direct or indirect inducement or otherwise and any services similar to those offered by Pink Zebra Moving.

## **10. OPERATION AND SYSTEM STANDARDS.**

**10.1 Confidential Operating Manuals.** During the term of this Agreement, we will allow you access, in electronic format or such other format as we designate, to our manual(s) (the “Manuals”), consisting of such materials that we generally furnish to franchisees from time to time for use in operating a Pink Zebra Moving Franchise. If you request and we agree, you may obtain a paper copy of the Confidential Operations Manual for a cost of fifty dollars (\$50) per copy. The Manuals contain mandatory and suggested specifications, standards, operating procedures and rules (“System Standards”) that we prescribe from time to time for the operation of a Pink Zebra Moving Franchise and information relating to your other obligations under this Agreement and related agreements. You agree to follow the System Standards and other standards, specifications and operating procedures we establish periodically for the System that are described in the Manuals. Our System Standards do not dictate your employment matters relating to hiring, firing, discipline, wages or other human resource policies or procedures. We also reserve the right to make the Manuals accessible to you on-line via computer systems or other electronic formats (like Internet, CD-ROMs, websites or e-mail). You also must comply with all updates and amendments to the System as described in newsletters or notices we distribute, including via computer systems, e.g., internet, CD or other media we select. Any form of the Manuals we make accessible to you on-line will be deemed our Confidential Information. You agree to maintain the Manuals as confidential and maintain the information in the Manuals as secret and confidential. The Manuals may be modified, updated and revised (in written or electronic format) by us from time to time to reflect changes in System Standards. You agree to keep your copy of the Manuals in a secure location at the Pink Zebra Moving Approved Office Site location. In the event of a dispute relating to its contents, the master copy of the Manuals we maintain at our principal office will be controlling. However, in the event we utilize on-line Manuals, the most recent on-line Manuals will control any disputes between the on-line version and printed copies of the Manuals. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Manuals.

**10.2 Compliance with System Standards.** You acknowledge and agree that your operation and maintenance of the Pink Zebra Moving Franchise in accordance with System Standards is essential to preserve the goodwill of the Marks at all Pink Zebra Moving Franchises. Therefore, at all times during the term of this Agreement, you agree to operate and maintain the Pink Zebra Moving Franchise in accordance with each and every System Standard, as we periodically modify and supplement them during the term of this Agreement. System Standards may regulate any one or more of the following with respect to the Pink Zebra Moving Franchise:

- a. types, models and brands of required furnishings, equipment, signs, software, materials and supplies;
- b. types, content, size, materials and standards for signage;
- c. designated or approved suppliers of fixtures, equipment, signs, software, products, materials and supplies including for all approved distributors and/or distribution systems and approved

trade accounts;

d. terms and conditions of the sale and delivery of, and terms and methods of payment for, products, materials, supplies and services, including direct labor, that you obtain from us, unaffiliated suppliers or others;

e. sales, marketing (including but not limited to websites, online advertising, social media marketing or presence, digital marketing and sponsorships), advertising and promotional programs and materials and media used in such programs;

f. use and display of the Marks;

g. qualifications, training, dress and appearance of all personnel providing moving services;

h. days and hours of operation;

i. participation in market research and testing and product and service development programs and customer satisfaction programs;

j. acceptance of credit cards, coupons, payment systems and check verification services;

k. bookkeeping, accounting, data processing and record keeping systems, including software, and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and furnishing tax returns and other operating and financial information to us;

l. types, amounts, terms and conditions of insurance coverage required to be carried for the Pink Zebra Moving Franchise and standards for underwriters of policies providing required insurance coverage; our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage for the Pink Zebra Moving Franchised Business at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims;

m. complying with applicable laws; obtaining required licenses and permits; adhering to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us; and notifying us if any action, suit or proceeding is commenced against you or the Pink Zebra Moving Franchised Business;

n. regulation of such other aspects of the operation and maintenance of the Pink Zebra Moving Franchised Business that we determine from time to time to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Pink Zebra Moving Franchises;

o. your use of, or mandatory or recommended participation in any e-commerce, Intranet, Internet or website communities, systems or processes, website and compliance with any Internet, Intranet or e-commerce policies or procedures which we may establish from time to time;

p. You agree to purchase only approved equipment, trucks, vehicles, supplies, uniforms and products required for the operation of your Pink Zebra Moving Franchised Business from approved

suppliers or distributors as provided to you in writing from time to time or as set forth in the Confidential Operations Manual;

If you request to use in the operation of your Pink Zebra Moving Franchised Business any service, product, supply, material, furnishing or equipment which has not been approved in writing by us, you must first notify us in writing and must submit to us sufficient information, specifications, and samples as we require. Additionally, we will charge you a review fee of Forty Dollars (\$40) per hour for our review of each new supplier submitted for our approval or any product, supply material, furnishing or equipment you request us to approve. We have the absolute right to approve or disapprove any supplier, product, supply, material, furnishing or equipment, in our sole and absolute discretion. We will provide you with written approval or disapproval within a reasonable period. You may not use any supplier, service, product, supply, material, furnishing or equipment that we have not approved in writing;

q. You agree to purchase only approved supplies and only from approved suppliers; and

r. You agree that your telephone numbers for operation of the franchised business may only be obtained through us.

You agree that System Standards prescribed from time to time in the Manuals, or otherwise communicated to you in writing or other tangible form, constitute provisions of this Agreement as if fully set forth herein. All references to this Agreement include all System Standards as periodically modified.

**10.3 Modification of System Standards.** You acknowledge that our System Standards must continue to evolve in order to reflect changing market conditions and to meet new and changing customer demands. Therefore, variations and additions to the System Standards may be required from time to time in order to preserve and enhance the public image of our System and to enhance the continuing operational efficiency of all franchisees. Accordingly, you agree that Franchisor may from time to time, upon notice, add to, subtract from or otherwise change the System and System Standards, including without limitation, the adoption and use of new or modified Marks, products, services, equipment and new techniques and methodologies relating to the sale, operation, promotion and marketing of services. Franchisee agrees to promptly accept, implement, use and display in the operation of the Pink Zebra Moving Franchised Business all such additions, modifications and changes at Franchisee's sole cost and expense.

**10.4 Hours of Operation.** You agree to comply with all operating procedures relating to hours of operation and days you are required to conduct business to the public (subject to applicable law) as may be set by us or changed by us from time to time. You acknowledge and agree that all mandatory operating procedures prescribed from time to time by us in the Manuals or otherwise shall constitute binding obligations on your part, and any failure by you to adhere to such mandatory operating procedures shall constitute grounds for termination of this Agreement by us as provided for herein. You agree that failure to operate your franchised business for two (2) or more consecutive days without prior approval from us shall result in our right to impose a penalty of Two Hundred and Fifty Dollars (\$250) per day per day until business operations commence in accordance with the Manuals, in addition to and not in lieu thereof, all our other rights and remedies set forth in this Franchise Agreement, including our termination rights.

You further acknowledge that due to peculiarities of particular market areas and circumstances, complete and detailed uniformity may not be practical or in the best interests of all franchisees. We reserve the absolute right to vary hours of operation and/or days you are required to be open for business to the public, as they relate to a particular franchise or group of franchisees.

**10.5 Accounting, Computers and Records.** It is your responsibility to obtain accounting services and any required hardware or software related to them. You will at all times maintain the records

reasonably specified in the Manuals, including, without limitation, sales, inventory and expense information. To the extent we require support for accounting software used by you, such support will only be provided with respect to the accounting software then used by us in the operation of our own (or our affiliates' own) Pink Zebra Moving Franchised Business.

**10.6 Computer System.** You agree to use in developing and operating the Pink Zebra Moving Franchise the computer equipment and operating software (and related training) (the "Computer System") that we periodically specify. We may require you to obtain specified computer hardware or software and may modify specifications for and components of the Computer System from time to time. Our modifications and specifications for components of the Computer System may require you to incur cost to purchase, lease or license new or modified computer hardware or software and to obtain service and support for the Computer System during the term of this Agreement. You agree to incur such costs in connection with obtaining the computer hardware and software comprising the Computer System (any additions or modifications). Within thirty (30) days after you receive notice from us, you agree to obtain the components of the Computer System that we designate and require. We have the right to charge you for any computer usage costs that we incur as a result of your use of the Computer System. We may require your Computer System be capable of connecting with our Computer System so that we can review the results of your operations. We also have the right to charge you a reasonable systems fee for modifications of and enhancements made to any proprietary software that we license to you and other maintenance and support services that we or our affiliates may furnish to you related to the Computer System. You are responsible for all internet service providers (ISP) and other connectivity related fees and costs relating to your use of the Computer System. You agree to maintain an active e-mail address at all times and inform us of it. If we adopt a different computer system, POS system or other system in the future, you must adopt it at your expense. You must maintain, modify and upgrade all such items at your sole expense and as we may require from time to time. You must provide us a full 24-hour, 7-day-a-week access including online access, and the right to "upload" or "download" information to and from all POS, computer and other systems, and to the information through your computer, POS or other systems. You must use software we designate from time to time. You agree that you will not make any claim against us or our affiliates for any loss, damage, liability or expense caused by or related to failures, errors, acts, omissions, or otherwise of any computer, POS, hardware or software system.

**YOU ACKNOWLEDGE AND AGREE THAT ANY SOFTWARE THAT IS PROVIDED TO YOU BY US IS PROVIDED WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WE DO NOT WARRANT THAT THE FUNCTIONS CONTAINED IN THE SOFTWARE MEET YOUR REQUIREMENTS OR THAT THE USE OF SOFTWARE WILL BE UNINTERRUPTED OR ERROR FREE. IN NO EVENT WILL WE BE LIABLE FOR DAMAGES, RELATING TO THE USE OF OR INABILITY TO USE ANY SOFTWARE EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR ANY CLAIM BY ANY OTHER PARTY. THE FOREGOING LIMITATIONS OF LIABILITY ARE INTENDED TO APPLY WITHOUT REGARD TO WHETHER OTHER PROVISIONS OF THIS AGREEMENT HAVE BEEN BREACHED OR PROVEN INEFFECTIVE.**

**10.7 Trade Accounts and Taxes.** You agree to maintain your trade accounts in a current status and seek to resolve any disputes with trade suppliers promptly. You agree to timely pay all taxes incurred in connection with your Pink Zebra Moving Franchise operations. If you fail to maintain your trade accounts in a current status, timely pay such taxes or any other amounts owing to any third parties or perform any non-monetary obligations to third parties, we may, but are not required to, pay any and all such amounts and perform such obligations on your behalf. If we elect to do so, then you agree to

reimburse us for such amounts. You agree to repay us immediately upon receipt of our invoice. We may also set-off the amount of any such reimbursement obligations against any amounts which we may owe you.

**10.8 Proprietary Materials.** You agree to purchase from us (if applicable) or approved manufacturers or suppliers all items used in operating the Pink Zebra Moving Franchise, some of which bear the Marks. These items include, but are not limited to, employee clothing (such as shirts) (the “Proprietary Materials”), at then prevailing prices, plus freight, taxes and delivery costs. The items may also include products like clothing, hats, tee shirts, etc., for retail sale to customers.

**10.9 Approved Products and Services.** You agree not to sell any products and services or other items that we have not previously approved. You will immediately implement changes to the products, services or other items requested by us.

**10.10 Management.** You (or your Operating Partner) and one of your managerial employees that has satisfactorily completed our training program must assume responsibility for the Pink Zebra Moving Franchised Business’s day-to-day management and operation of the Franchised Business. You or your Operating Partner must work a minimum of forty (40) hours per week (other than vacation periods). During all hours of operations, the Pink Zebra Moving Franchised Business must be under the direct supervision of you (or your Operating Partner) and a management-level employee who has satisfactorily completed our Initial Training Program or otherwise been trained by you if you have received our Training Certificate for Initial Training and meet our qualifications. Each of your managerial employees must sign our Confidentiality Agreement attached to the Franchise Disclosure Document, or other agreements satisfactory to us.

**10.11 Personnel.** All employees must be trained and supervised in accordance with the specifications set forth in the Manuals. All personnel must meet every requirement imposed by applicable federal, state and local law as a condition to their employment. We do not dictate your employment matters relating to hiring, firing, wages, discipline or other human resources or procedures. Upon request, you will obtain signed acknowledgements from your employees acknowledging that they are employed solely by you.

**10.12 Insurance.** You shall carry statutory limits for Workers Compensation insurance as required by law in the state in which your Pink Zebra Moving Franchised Business is located. You may not avail yourself of any local ordinances or interpretations of statute to “opt out” or in any way circumvent the requirements of this Paragraph. You may not utilize a Professional Employer Organization, Employee Leasing, or other concept to transfer the responsibilities of this Paragraph to another entity without the expressed written consent of us. We reserve unto ourselves the right to grant any exemption to this Section of the Franchise Agreement regardless of the reasonableness of your request.

You shall carry and maintain in force, the following minimum insurance coverages: (1) comprehensive general liability insurance and comprehensive product liability insurance against claims for bodily and personal injury, death, and property damage caused by or occurring in conjunction with the operation of your Franchised Business or your conduct of business pursuant to the Franchise Agreement under one or more policies or insurance containing minimum liability coverage of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate; (2) Workers’ Compensation as well as any other insurance as may be required by statute or rule in the state(s) in which your Franchised Business is located or operates; (3) automobile liability, including coverage of owned, non-owned and hired vehicles of one million dollars (\$1,000,000) per occurrence, and these automobile

liability amounts must be maintained for each service vehicle; and (4) cargo liability insurance that meets then-current Federal Law requirements for a moving company and (5) surety bond covering at least twenty-five thousand dollars (\$25,000) in theft damages. We recommend, but do not require, that your comprehensive general liability policy include employment practices coverage.

In addition to the insurance requirements, we recommend but do not require that you obtain the following additional insurance: (1) general casualty insurance including fire and extended coverage, vandalism, theft, burglary and malicious mischief insurance for the replacement value of your Franchised Business and its contents; (2) Employer Practices Liability Insurance; (3) an umbrella policy.

You must maintain all required policies in force during the entire term of the Franchise Agreement and any renewal terms. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us (and, if we request, our directors, employees or members) as additional insureds and must provide us with thirty (30) days' advance written notice of any material modification, cancellation or expiration of the policy. We reserve the right to obtain from your insurance carrier(s) periodic reports of losses (such as monthly, quarterly and/or annually), and you must authorize your insurance carrier(s) to provide us with these reports.

You shall further carry additional insurance covering such additional risks or providing higher limits as we may reasonably request. For instance, we may in the future, require you to have Employer Practices Liability Insurance (EPLI) and name us an additional insured. We reserve the right to adjust the limits of indemnification (up or down) or to require you to procure and maintain other additional coverage prescribed from time to time by us and issued by insurance carriers rated AA or better by Alfred M. Best and Company, Inc. You shall submit to us annually a copy of the certificate of, or other evidence of, the renewal or extension of such insurance policy or policies. We reserve the right to reject any policy with exclusions or sub limits that are not satisfactory to us.

If you at any time fail or refuse to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence thereof, we at our option and in addition to its other rights and remedies hereunder, may, but shall not be required to, obtain such insurance coverage on behalf of you, and you shall promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to us, on demand, any costs and premiums incurred by us plus an administrative fee of fifteen percent (15%) of that cost.

Modifications in required insurance coverages will be included in your Confidential Operations Manual. We may regulate and modify the types, amounts, terms and conditions of insurance coverage required for your Franchise Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or permissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to defend claims; and similar matters relating to insured and uninsured claims.

**10.13 Adequate Reserves and Working Capital.** You must at all times maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under this Agreement and to cover the risks and contingencies of the Franchised Business for at least three months. These reserves may be in the form of cash deposits or lines of credit.

**10.14 Variation of Terms.** You acknowledge that because uniformity under many varying conditions may not be possible or practical, we reserve the right to materially vary our standards or franchise agreement terms for any Pink Zebra Moving Franchise, based on the timing of the grant of the franchise, the peculiarities of the particular protected territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the Pink Zebra Moving Franchise. You will have no right to require us to disclose any variation or to grant the same or a similar variation to you.

**10.15 Customer Complaints.** In the event your customer(s) contact(s) us to report a complaint about your Pink Zebra Moving Franchise, you agree that we have the absolute right to compensate your customer in a manner we determine to be appropriate, and you agree to reimburse us for such compensation. Payment of such amount paid to the customer (the “Customer Comment Reimbursement Fee”) is due upon demand by us.

**10.16 Advisory Council.** We have the right to form an advisory council composed of franchisees and our representatives. We will determine how such a council will be selected, funded, and governed. We will consider any recommendation from the council, but we have the sole right to accept or reject its recommendations. We have the right to change, modify or dissolve the council.

**10.17 Performing, Truck and Vehicle Inspections and Obtaining Reports.** You acknowledge and agree that you must maintain and service each truck and or vehicle as specified at a minimum, in the Confidential Operations Manual. You acknowledge and agree that we or our authorized representative or agent may conduct inspections of all Franchisee’s Moving Trucks and vehicles and obtain and or copy all records relating to the trucks and/or vehicles, including all maintenance and service records. Franchisor or its authorized representative or agent has the right and authority from Franchisee to examine Franchisee’s trucks and vehicles. If Franchisee has more than one Marketing Territory, we have the right and may inspect each truck and vehicle and all records for each multiple territory. You agree that failure to comply with any vehicle safety requirement set forth in the Confidential Operations Manual or any service, maintenance or truck wrap requirements set forth in the Confidential Operations Manual shall result in our right to impose a penalty of One Thousand Dollars (\$1,000) per day per violation against you, in addition to and not in lieu thereof, all our other rights and remedies set forth in this Franchise Agreement. **YOU ACKNOWLEDGE AND AGREE THAT ANY MAINTENANCE OR SERVICE REQUIREMENTS SPECIFIED IN THE CONFIDENTIAL OPERATIONS MANUAL, ARE WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. ALL SERVICE AND MAINTENANCE REQUIREMENT SPECIFIED IN THE CONFIDENTIAL OPERATIONS MANUAL ARE FOR THE SOLE PURPOSE OF SETTING OUT MINIMUM REQUIREMENTS OF FRANCHISOR FOR EACH OF FRANCHISEE’S VEHICLES AND TRUCKS. IN NO EVENT SHALL WE BE LIABLE FOR DAMAGES, RELATING TO YOUR USE OF SERVICE AND MAINTENANCE REQUIREMENTS OR YOUR FAILURE TO FOLLOW FRANCHISOR’S SERVICE AND MAINTENANCE REQUIREMENTS, OR ANY CLAIM BY ANY OTHER PARTY WITH OUT REGARD TO WHETHER THE PROVISIONS OF THIS AGREEMENT OR OTHER PROVISIONS OF THIS AGREEMENT HAVE BEEN BREACHED OR PROVED INEFFECTIVE OR NOT ADEQUATE.**

**10.18 Violation of Health or Safety or Sanitation Law.** Should you violate any health or safety or sanitation law, ordinance, or regulation resulting in the loss of your state or federal license or authority to conduct the franchised business for a period of five (5) days, you agree that we shall be entitled to liquidated damages of Five Hundred (\$500) Dollars per day until your operating authority has been restored. Liquidated damages is in addition to and not in lieu of our right to proceed with termination of your Franchise Agreement.

## **11. MARKETING AND PROMOTION.**

### **11.1 Establishment of Marketing and Advertising Fund.**

a. You agree to pay us a semi-monthly Marketing and Advertising Fund (“Fund”) fee equal to one percent (1%) of Gross Revenue generated, billed but not collected, earned, derived and/or received by the Pink Zebra Moving Franchised Business for the prior period’s operation. The Marketing and Advertising Fund fee is payable on the fifth (5<sup>th</sup>) and twentieth (20<sup>th</sup>) days of each month, or the next business day if either such day is not a business day. The Marketing and Advertising Fund fee payable on the fifth (5<sup>th</sup>) day of each month is calculated based on Gross Revenue generated in the period from the sixteenth (16<sup>th</sup>) day of the previous month to the last day of such month. The Marketing and Advertising Fund fee payable on the twentieth (20<sup>th</sup>) day of each month is calculated based on Gross Revenue generated in the period from the first (1<sup>st</sup>) day through the fifteenth (15<sup>th</sup>) day of that current month. We require you to pay the Fund fee by electronic funds transfer. You agree to comply with the procedures we specify in our Confidential Operations Manual and perform such acts and sign and deliver such documents as may be necessary to accomplish payment by this method. You will give us authorization in a form we designate to initiate debit entries or credit correction entries to your bank account for each month’s Fund fee and any interest charges due. Company owned locations will not contribute to the Marketing and Advertising Fund.

b. We will direct all marketing (including but not limited to websites, online advertising, social media marketing or presence, digital marketing and sponsorships) and advertising programs, with sole control over the creative concepts, materials and media used in such programs, and the placement and allocation of Fund advertising. You acknowledge that the Fund is intended to further general public recognition and acceptance of the Proprietary Marks for the benefit of the Pink Zebra Moving System and also other benefits derived from a website we develop or utilize. You further acknowledge that we and our designees undertake no obligation in administering the Fund to make expenditures for you which are equivalent or proportionate to your contributions, to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising or to ensure that any advertising impacts or penetrates your Protected Territory. The Fund is not a trust and we are not a fiduciary with respect to the Fund.

c. The Fund may be used to meet any and all costs of administering, directing, preparing, placing and paying for national, regional or local marketing, including (without limitation): television, radio, magazine, newspaper and worldwide web/internet advertising campaigns; other advertising, marketing and public relations materials; point-of-purchase materials; consumer research, interviews and related activities; the creation, maintenance and periodic modification of the Pink Zebra Moving website; website tracking of new contacts and franchise candidates as well as obtaining and maintaining franchise information and application pages; reviewing any advertising material you propose to use (as provided below); search engine optimization; establishing a third party facility for customizing local marketing materials; the creative development of signage and posters; the development and creative activity associated with promotions and public relations events; accounting for Pink Zebra Moving Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; other activities that we in our business judgment believe are appropriate to enhance, promote and/or protect the Pink Zebra Moving System or any component thereof; and, engaging advertising agencies to assist in any or all of the foregoing activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other advertising agency and public relations fees.

d. We need not maintain the sums paid by franchisees to the Fund, or income earned from the Fund, in a separate account from our other funds, but we may not use these amounts under any circumstance for any purposes other than those provided for in this Agreement. We may, however, expend

monies from the Fund for any reasonable administrative costs and overhead that we may incur in activities reasonably related to the administration or direction of the Fund and marketing and technology programs for franchisees including, without limitation, preparing marketing and advertising materials; working with advertising agencies, advertising placement services and creative talent; preparing an accounting of contributions to the Fund and the annual statement of Fund contributions and expenditures provided for below; and, otherwise devoting our personnel, resources and/or funds for the benefit of the Fund. Our right to expend monies from the Fund to reimburse us for such activities is exclusive of any advertising agency or public relations fees which the Fund must expend to secure the services of an advertising agency or public relations firm or to have print, broadcast or internet advertising placed by an agency.

e. Within sixty (60) days following the close of our fiscal year, we will prepare (but not audit) a statement detailing Fund income and expenses for the calendar year just ended, a copy of which statement will be sent to you upon request.

f. We expect to expend most contributions of the Fund during the calendar year when the contributions are made. If we expend less than the total sum available in the Fund during any fiscal year, the excess amount will be carried forward to the following fiscal year to be used as provided for in subsection 11.1 g. If we advance and expend an amount greater than the amount available in the Fund in any calendar year (in addition to any sum required to be expended because we did not expend all the sums in the Fund during the preceding year), we will be entitled to reimburse ourselves from the Fund during the following fiscal year for all such advanced sums, with interest payable on such advanced sums at the greater rate of one and a half percent (1.5%) per month or the maximum commercial contract interest rate permitted by law (with interest accruing the first calendar day following the day on which we advance and expend any such sum).

g. We reserve the right to use any media, create any programs and allocate advertising funds to any regions or localities in any manner we consider appropriate in our business judgment. The allocation may include rebates to individual franchisees of some or all of their Fund contributions for local marketing services if, in our judgment, our national or regional advertising program or campaign cannot effectively advertise or promote in certain regions or communities. If we determine that the total Fund contributions collected from all franchisees is insufficient to sustain a meaningful regional or national advertising campaign, we may rebate all or a portion of the Fund contributions to franchisees on a pro rata basis. Franchisees must expend any rebate on the types of local marketing and media that we determine. All rebate advertising expenditures must be documented to us in a monthly rebate advertising expenditure report form which we will furnish.

h. Although the Fund is intended to be a perpetual duration, we maintain the right to terminate the Fund, but will not do so until all of the monies in the Fund have been expended for advertising and promotional purposes.

i. The Fund will not be used for any activity whose sole purpose is the sale of franchises; provided, however, that the design and maintenance of our Website (for which Fund monies are used) includes information and solicitations for prospective franchisees (for instance, "Franchises Are Available"), and public relations and community involvement activities which may result in greater awareness of the Pink Zebra Moving brand and the franchise opportunity.

j. No Pink Zebra Moving Office which we or our affiliates own or operate will be required to participate in or contribute to the Marketing and Advertising Fund or other advertising programs provided for in this Paragraph 12.1 and sub-paragraphs thereof, unless it determines to participate in a regional or joint franchise advertisement setting forth the names, addresses and/or telephone numbers of

individual Pink Zebra Moving Offices, including those owned and operated by us or our affiliates. If we or our affiliate decide to participate in any joint or regional advertising of this type, then we or our affiliate will contribute our or its proportionate share of the cost of the advertisement to the franchisee group sponsoring the advertisement.

k. We or our designee will direct all programs financed by the Fund, with sole control over the allocation and any Internet or Intranet websites, networks or communities it operates or participate in, or which requires your participation. You agree that the Fund may be used to pay the costs associated directly or indirectly with the operation, maintenance, hosting or development of website bearing our Marks; or establishing Internet, Intranet, website or other forms of e-commerce communities, networks, systems, methods, processes, databases or monitoring systems, which may include our establishing one or more Internet or Intranet websites for purposes of: linking this Agreement; our sharing or selling information to third parties; our establishing business to customer e-commerce; promoting the development and growth of franchises or soliciting franchisees; or your reporting of Continuing License Fees, Gross Revenue or other information as we designate from time to time. The Fund may be used for defraying administrative hosting, development maintenance costs and overhead incurred by us or our designees in connection with the Fund. The Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of such materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

**11.2 Local Marketing Services.** During the first four (4) months of paid digital advertising, you will be required to spend the greater of two thousand and five hundred dollars (\$2,500) or two and one-half cents (\$0.025) times the number of ~~2022-census~~2023 census total population in your Protected Territory divided by twelve (12). You must also pay the then current third-party administration fee. Each month thereafter you will be required to spend the greater of one thousand and five hundred dollars (\$1,500) or two and one-half cents (\$0.025) times the number of ~~2022-census~~2023 census total population in your Protected Territory divided by twelve (12). You will also pay the then current third-party administration fee. The third-party administration fee is currently one thousand, five hundred dollars (\$1,500) per month. We currently use a third-party vendor to execute the Local Marketing Services Program. This fee is currently collected by us. Local Marketing Services costs that are not executed by our current preferred marketing vendor cannot be used to meet the spending requirements. We have the right to formulate and design the content of the local marketing initiatives. If we determine in our sole and absolute discretion, to no longer provide this local marketing service, we will use our best efforts, but have no obligation, to find a replacement company to provide similar services for you. If we, in our sole discretion, determine there is a more effective alternative method of advertising, we may discontinue the local marketing services and require you to undertake, at your cost, other advertising as we direct. You shall have the right, but not the obligation, to spend more than the Local Marketing Services requirement on local marketing. All advertising and promotional materials produced by any party other than Franchisor must be previously approved by us and you shall report all advertising expenditures to us upon our request, within ten (10) days. You agree that we shall have the right to require your local marketing be combined with one or more franchisees in an area designated by us, and we shall have the sole right to approve the media selection format.

**11.3 Websites and Other Platforms.** You acknowledge and agree that any website constitutes “advertising” under this Agreement. You shall not develop, utilize, obtain or own a website or domain name for the Pink Zebra Moving Franchised Business. For this purpose, a “website” means an interactive electronic document, contained in a network of computers linked by communications software, that you operate or authorize others to operate that refers to your Pink Zebra Moving Business, The Marks, us, and/or the System. The term website also includes Internet, Intranet and World Wide Web home pages or e-mail address sites. You must not establish any website without our prior written approval of its form,

continent and information presented due to our substantial interest in protecting the Marks, the System and the Confidential Information. We require you to use the domain name we obtain for your Pink Zebra Moving Franchised Business. We will own the domain name we authorize you to use during the term of this Franchise Agreement. Any and all goodwill will belong to and is owned by the Franchisor. You may not operate or establish any website. You must comply with the Franchise Agreement provisions for the design and implementation of a website for your Pink Zebra Moving Franchised business. We reserve the right to establish one or more Internet, Intranet or other forms of e-commerce websites, networks or communities for purposes of: promoting the development, growth, sales and solicitation of franchises; or establishing or participating in, and requiring or authorizing your participation in, or in connection with: e-commerce; establishing purchasing, supply or referral programs, networks or communities in which you must participate; or monitoring your performance under this Agreement and other purpose we designate from time to time which we deem to promote the development and operation of the System. From time to time, we will establish and notify you of our establishment of website policies and other forms of e-commerce policies, which will become part of our System Standards and be provided in the Confidential Operations Manual or other written communication by you. We own all rights, title and interest in and to information compiled from, derived from or obtained by us via your or our use of websites or our establishment of an Intranet, Internet or other forms of e-commerce networks or communities. Furthermore, you agree to the following:

a. You agree that we may establish electronic links from our website to any website that we design for you. We may prohibit you from linking any website to the website designed for you for any reason without compensation to you.

b. You must not use any mark as part of any URL domain name, Internet or e-mail address, or any other identification of you in any electronic medium or with any prefix, suffix or other modifying words, terms, designs, or symbols, or in any modified form, without our written consent.

c. If this Agreement expires or terminates for any reason, you must immediately stop using any website that utilizes any of the Marks or the System, or that are linked to any of our websites or the website of any of our franchisees. You must also then remove and change any website, domain names, Internet or Intranet addresses, e-mail addresses or other identification that utilize any of the Marks.

d. You agree to establish, maintain and notify us of your active e-mail address, and notify us of any change in your e-mail address within three (3) business days of the change.

e. You agree that we have the right (but no obligation) to develop an Intranet which we and our franchisees can communicate by e-mail or similar electronic means. If we develop an Intranet, you agree to use the facilities of the Intranet in strict compliance with the standards, protocols and restrictions that we include in the Manuals (including, without limitation, standards, protocols, and restrictions relating to encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements). We have the absolute right to charge a fee for Intranet usage, which fee shall be paid in accordance with our invoice or pursuant to Paragraph 5.3, through Electronic Funds Transfer.

f. Social media platforms and accounts are exclusively owned by Franchisor throughout the term of the Franchise Agreement. Franchisee is allowed access to participate within all social media platforms and accounts. Franchisor reserves the right to not allow access to social media platforms and accounts at any time. Social media platforms and accounts are defined as websites where users are able to share and generate content, and find and connect with other users of common interest, as qualified by ejusdem generis where the exemplar sites include, but are not limited to, Facebook, Instagram, Twitter,

Pinterest, Yelp, Angie's List, Snapchat, or any other platform. Franchisor's ownership of social media sites does not suggest or imply vicarious liability of Franchisee's business.

**11.4 Website Development and Search Engine Optimization (SEO) Fees.** You must pay a Website Development and Search Engine Optimization (SEO) fee at the time you sign your Franchise Agreement. The fee is seven thousand and five hundred dollars (\$7,500) and covers the cost of creating your website and twelve (12) months of SEO management. We may in our sole discretion, require you to utilize and pay for ongoing SEO in months thirteen (13) and beyond. This obligation may, as determined by Franchisor in our sole discretion, continue for the entire term of your Franchise Agreement. These services are currently managed by a third-party vendor and the fee is collected by us. We will provide notice to you of the Monthly Website Development and Search Engine Optimization (SEO) Fees.

**11.5 Pre-open Marketing Kit and Year One Local Market Awareness Campaign.** You will pay Pre-Open Marketing Kit and Year One Local Brand Awareness Campaign fee at the time you sign your Franchise Agreement. The fee is five thousand dollars (\$5,000) and covers the cost of one (1) pre-open marketing kit, including print and promotional materials, and a twelve (12) month Meta Local Market Awareness Campaign.

**11.6 Advertising Council.** We have the right to form an advertising council composed of franchisees and our representatives, and the right to determine how such a council will be selected, funded, and governed. We will consider any recommendation from the council, but we have the sole right to accept or reject its recommendations. We have the right to change, modify or dissolve the council.

## **12. RECORDS, REPORTS AND FINANCIAL STATEMENTS.**

**12.1 Accounting System.** You agree to establish and maintain at your own expense a bookkeeping and recordkeeping system conforming to the requirements and formats we prescribe from time to time. You agree to use the "QuickBooks" software we designate (developed by Intuit) for your accounting system. We may require you to use approved computer hardware, software and websites in order to maintain certain sales data and other information we designate from time to time. This may include the updating of Manuals and for communication purposes. You agree that we may have access to such sales data and other information through the computer system at all times.

**12.2 Reports.** You agree to furnish to us on such forms that we prescribe from time to time:

- a. following the Agreement Date, and semi-monthly thereafter; a report of your progress in the development and opening of your Approved Office Site location;
- b. at our request, within five (5) days after their filing, copies of all sales tax returns, for the Pink Zebra Moving Franchised Business and copies of the canceled checks for the required sales taxes;
- c. on the fifth (5<sup>th</sup>) and twentieth (20<sup>th</sup>) of each month, a report on the Pink Zebra Moving Franchised Business's Gross Revenue during the immediately preceding period as specified in paragraph 5.3 of the Franchise Agreement.
- d. within fifteen (15) days after the end of each calendar quarter, a profit and loss statement for the Pink Zebra Moving Franchise for the immediately preceding calendar month and year-to-date and a balance sheet as of the end of such month;
- e. within fifteen (15) days after the end of the Pink Zebra Moving Franchise's fiscal year,

annual profit and loss and source and use of funds statements and a balance sheet for the Pink Zebra Moving Franchised Business as of the end of such fiscal year; and

f. within ten (10) days after our request, exact copies of federal and state income and other tax returns and such other forms, records, books and other information we may periodically require.

g. we may require that any of the reports described in this Paragraph 12.2 or any information you are required to provide us under this Agreement or our System Standards be provided to us in electronic format via a secure website (Internet or Intranet) at times and in the manner we designate, from time to time.

h. you agree that failure to furnish us with any and all reports as described in this Paragraph 12.2 or any information you are required to provide us under this Agreement or our System Standards shall result in our right to impose a penalty of One Thousand Dollars (\$1,000) per day per occurrence, in addition to and not in lieu thereof, all our other rights and remedies set forth in this Franchise Agreement.

**12.3 Access to Information.** You agree to verify and sign each report and financial statement in the manner we prescribe. We have the right to disclose data derived from such reports and identify you or the location of the Pink Zebra Moving Franchise. We have the additional right to use your franchise Gross Revenue information in our Franchise Disclosure Document as well as posting your name and financial revenue on our company revenue ranking. All financial information you create and provide to us belongs to us and we have the absolute right to use the financial information provided to us in any manner we determine. We also have the right to require you to have reviewed or audited financial statements prepared on a calendar year (twelve (12) month) basis if we reasonably believe that the reports are incorrect. Moreover, we have the right as often as we deem appropriate (including on a daily basis) to access, electronically or otherwise, all software and other computer systems that you are required to maintain in connection with the operation of the Pink Zebra Moving Franchised Business and to retrieve electronically or otherwise, all information relating to your operations.

**12.4 Copies of Reports.** You agree to furnish us with a copy of all sales, income and other tax returns relating to your Pink Zebra Moving Franchised Business, at our request. You will also send us copies of any sales or other reports sent to any governmental agency, at our request.

### **13. INSPECTIONS AND AUDITS.**

**13.1 Our Right to Inspect the Pink Zebra Moving Franchised Business.** To determine whether you are complying with this Agreement and all System Standards, we and our designated agents have the right at any time during your regular business hours without prior notice, to:

- a. inspect the Pink Zebra Moving Franchised Business;
- b. observe, photograph and videotape the operations of your Pink Zebra Moving Franchise for such consecutive or intermittent periods as we deem necessary;
- c. remove samples of any products, materials or supplies for testing and analysis;
- d. interview personnel and customers; and
- e. inspect and copy any books, records and documents relating to your operation.

You agree to cooperate with us fully in connection with any such inspections, observations, photographing, videotaping, product removal, interviews and electronic (Internet or Intranet) record access. You agree to present to your customers such evaluation forms that we periodically prescribe and to participate and/or request your customers to participate in any surveys performed by us or on our behalf. You agree to correct or repair any unsatisfactory conditions we specify within five (5) days.

**13.2 Our Right to Audit.** We have the right at any time during your business hours to inspect and audit, or cause to be inspected and audited, your business, bookkeeping and accounting records, purchasing records, advertising and marketing records and expenditures, sales and income tax records and returns and other records. You agree to cooperate fully with our representatives and independent accountants we hire to conduct any such inspection or audit. If our inspection or audit is made necessary by your failure to furnish reports, supporting records or other information we require, or to furnish such items on a timely basis, or if the information is not accurate (i.e., your Gross Revenue is understated by two percent (2%) or more), you agree to reimburse us for the cost of such inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. You also must pay us any shortfall in the amounts you owe us, including late fees and interest, of five percent (5%) per month on the understated amount or the maximum amount of interest allowable in the state of your Protected Territory, within ten (10) days of our notice. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law, which may include termination of this Agreement.

#### **14. TRANSFER.**

**14.1 By Us.** This Agreement is fully transferable by us and inures to the benefit of any transferee or other legal successor to our interests, as long as such transferee or successor agrees to be bound by, and assumes all of our continuing obligations under, this Agreement.

**14.2 By You.** You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or, if you are a Business Entity, to your owners) and that we have granted the Franchise to you in reliance upon our perceptions of you (or your owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither this Agreement (nor any interest in it) nor any ownership or other interest in you or the Pink Zebra Moving Franchised Business may be transferred without our prior written approval. Any transfer without such approval constitutes a breach of this Agreement and is void and of no effect. As used in this Agreement, the term "transfer" includes you (or your owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) you; (b) this Agreement; or (c) the Pink Zebra Moving Franchised Business.

An assignment, sale, gift or other disposition includes the following events:

- i. transfer of ownership of capital stock or a partnership interest;
- ii. merger or consolidation or issuance of additional securities or interest representing an ownership interest in you;
- iii. any issuance or sale of your stock or any security convertible to your stock;
- iv. transfer of an interest in you, this Agreement or the Pink Zebra Moving Franchised Business in a divorce, insolvency, or corporate or partnership dissolution proceeding or otherwise by

operation of law;

v. transfer of an interest in you, this Agreement or the Pink Zebra Moving Franchised Business, in the event of your death or the death of one of your owners, by will, declaration of or transfer in trust or under the laws of intestate succession; or

vi. pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon the Pink Zebra Moving Franchised Business or your transfer, surrender or loss of possession, control or management of the Pink Zebra Moving Franchised Business.

**14.3 Conditions for Approval of Transfer.** If you (and your owners) are in full compliance with this Agreement, then subject to the other provisions of this Section 14, we will not unreasonably withhold approval of a transfer that meets all the applicable requirements of this Section. The proposed transferee and its direct and indirect owners must be individuals of good character and otherwise meet our then applicable standards for Pink Zebra Moving franchisees. A transfer of ownership, possession or control of the Pink Zebra Moving Franchised Business may only be made if the transferee enters into a new Franchise Agreement. If the transfer is of your Pink Zebra Moving Franchised Business or a controlling interest in you, or is one of a series of transfers which in the aggregate constitutes the transfer of your franchise or Pink Zebra Moving Franchised Business(s) or a controlling interest in you, all of the following conditions must be met prior to or concurrently with the effective date of any transfer:

a. the transferee has sufficient business experience, aptitude and financial resources to operate the Pink Zebra Moving Franchise and has been approved as a franchisee;

b. you have paid all Continuing License Fees, Marketing and Advertising Fund fees, amounts owed for purchases from us and all other amounts owed to us or to third-party creditors and have submitted all required reports and statements;

c. the transferee (or its Operating Partner) and its managerial employee (if different from your manager) have completed our training program;

d. the transferee has agreed to enter into a new Franchise Agreement;

e. you or the transferee pays us a transfer fee of forty percent (40%) of Franchisor's then-current Initial Franchise Fee per Protected Territory that is being transferred (the "Transfer Fee"). We may provide training to your employees, other than Trainees. You must pay all travel and living expenses for you, other trainees and your employees to attend the training. This subsection will not apply if the proposed transferee is among your owners, but the transferee is required to reimburse us for any administrative costs we incur in connection with the transfer;

f. the transferee agrees to pay the costs required to bring the Pink Zebra Moving Franchised Business into compliance with the then current System Standards;

g. you (and your transferring owners) have executed a general release, in the form attached to the Franchise Disclosure Document, of any and all claims against us and our shareholders, officers, directors, employees and agents;

h. we have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Pink Zebra Moving Franchised Business;

i. if you or your owners finance any part of the sale price of the transferred interest, you and/or your owners have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your owners have reserved in the Pink Zebra Moving Franchise are subordinate to the transferee's obligation to pay Continuing License Fees, Marketing and Advertising Fund fees and other amounts due to us and otherwise to comply with this Agreement;

j. you and your transferring owners have executed a non-competition covenant in favor of us and the transferee agreeing to be bound, commencing on the effective date of the transfer, by the post-term competitive restrictions otherwise contained in this Agreement; and

k. you and your transferring owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to other Pink Zebra Moving Franchises or Franchised Office Locations you own and operate) identify yourself or themselves or any business as a current or former Pink Zebra Moving Business, or as one of our licensees or franchisees, nor use any Mark, any colorable imitation of a Mark, or other indicia of a Pink Zebra Moving Business in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us.

**14.4 Transfer to a Business Entity.** Notwithstanding the foregoing, if you are in full compliance with this Agreement, we may permit you to transfer this Agreement to a Business Entity that conducts no business other than the Pink Zebra Moving Franchise and, if applicable, other Pink Zebra Moving Franchised Businesses so long as you own, control and have the right to vote all issued and outstanding ownership interests (like stock or partnership interests) and you guarantee its performance under this Agreement. All other owners are subject to our approval. The organizational or governing documents of the Business Entity must recite that the issuance and transfer of any ownership interests in the Business Entity are restricted by the terms of this Agreement, are subject to our approval, and all certificates or other documents representing ownership interest in the Business Entity must bear a legend referring to the restrictions of this Agreement. As a condition of our approval of the issuance or transfer of ownership interests to any person other than you, we may require (in addition to the other requirements we have the right to impose) that the proposed owner execute an agreement, in a form provided or approved by us, agreeing to be bound jointly and severally by, to comply with, and to guarantee the performance of all your obligations under this Agreement.

**14.5 Transfer Upon Death or Disability.** Upon your death or disability or, if you are a Business Entity, the death or disability of the owner of a controlling interest in you, you or such owner's executor, administrator, conservator, guardian or other personal representative must transfer your interest in this Agreement or such owner's interest in you to a third party. Such disposition of this Agreement or the interest in you (including, without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and will be subject to all of the terms and conditions applicable to transfers contained in this Section. A failure to transfer your interest in this Agreement or the ownership interest in you within this period of time constitutes a breach of this Agreement. For purposes of this Agreement, the term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an owner of a controlling interest in you from managing and operating the Pink Zebra Moving Franchise.

**14.6 Operation Upon Death or Disability.** If, upon your death or disability or the death or disability of the owner of a controlling interest in you, the Pink Zebra Moving Franchise is not being managed by a trained manager, you or such owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date

of death or disability, appoint a manager to operate the Pink Zebra Moving Franchise. Such manager will be required to complete training at your expense. Pending the appointment of a manager as provided above or if, in our judgment, the Pink Zebra Moving Franchise is not being managed properly any time after your death or disability or after the death or disability of the owner of a controlling interest in you, we have the right, but not the obligation, to appoint a manager for the Pink Zebra Moving Franchise. All funds from the operation of the Pink Zebra Moving Franchise during the management by our appointed manager will be kept in a separate account, and all expenses of the Pink Zebra Moving Franchise, including compensation, other costs and travel and living expenses of our manager, will be charged to this account. We also have the right to charge a reasonable management fee (in addition to the Continuing License Fees and Marketing and Advertising Fund contributions payable under this Agreement) during the period that our appointed manager manages the Pink Zebra Moving Franchise. Operation of the Pink Zebra Moving Franchise during any such period will be on your behalf, provided that we only have a duty to utilize our best efforts and will not be liable to you or your owners for any debts, losses or obligations incurred by the Pink Zebra Moving Franchise or to any of your creditors for any products, materials, supplies or services the Pink Zebra Moving Franchise purchases during any period it is managed by our appointed manager.

**14.7 Effect of Consent to Transfer.** Our consent to a transfer of your Pink Zebra Moving Franchise or any interest in you does not constitute a representation as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the Pink Zebra Moving Franchised Business(s) or transferee or a waiver of any claims we may have against you (or your owners).

**14.8 Our Right of First Refusal.** If you (or any of your owners) at any time determine to sell, assign, or transfer for consideration an interest in your Pink Zebra Moving Franchised Business(s) or an ownership interest in you, you (or such owner) agree to obtain a bona fide, executed written offer and earnest money deposit (in the amount of five percent (5%) or more of the offering price) from a responsible and fully disclosed offeror (including lists of the owners of record and all beneficial owners of any corporate or limited liability company offeror and all general and limited partners of any partnership offeror) and immediately submit to us a true and complete copy of such offer, which includes details of the payment terms of the proposed sale and the sources and terms of any financing of the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be denominated in a dollar amount. The offer must apply only to an interest in the Pink Zebra Moving Franchised Business and may not include an offer to purchase any of your (or your owners') other property or rights. However, if the offeror proposes to buy any other property or rights from you (or your owners) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your owners) for the interest in you or the Pink Zebra Moving Franchised Business must reflect the bona fide price offered and reflect any value for any other property or rights.

We have the right, exercisable by written notice delivered to you or your selling owner(s) within thirty (30) days from the date of the delivery to us of both an exact copy of such offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that:

- a. we may substitute cash for any form of payment proposed in such offer (with a discounted amount if an interest rate will be charged on any deferred payments);
- b. our credit will be deemed equal to the credit of any proposed purchaser;
- c. we will have not less than sixty (60) days after giving notice of our election to purchase to prepare for closing; and

d. we are entitled to receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:

- (i) ownership and condition of and title to stock or other forms of ownership interest and/or assets;
- (ii) liens and encumbrances relating to the stock or other ownership interest and/or assets; and
- (iii) validity of contracts and the liabilities, contingent or otherwise, of the corporation or entity whose stock or ownership interest, is being purchased.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for a period of two (2) years commencing on the date of the closing, you and they will be bound by the post-term competitive restrictions otherwise described in this Agreement.

If we do not exercise our right of first refusal, you or your owners may complete the sale to such purchaser pursuant to and on the exact terms of such offer, subject to our approval of the transfer as otherwise provided in this Agreement, provided that, if the sale to such purchaser is not completed within one hundred and twenty (120) days after delivery of such offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of refusal during the thirty (30) day period following either the expiration of such one hundred and twenty (120) day period or notice to us of the material change(s) in the terms of the sale, either on the terms originally offered or the modified terms at our option.

## **15. TERMINATION OF AGREEMENT.**

**15.1 By Us.** We have the absolute right to terminate this Agreement, effective upon delivery of written notice of termination to you, if we determine to cease all franchise operations or if:

- a. you (or any of your owners) have made any material misrepresentation or omission in connection with your purchase of the Franchise; or
- b. you or, if applicable, the required Branch Manager fail to successfully complete Initial Training to our satisfaction or you have not fulfilled all of the conditions for management of the Pink Zebra Moving Franchise; or
- c. you (i) fail to obtain our approval of the Site within the required time periods or (ii) fail to obtain our approval of the Lease for the Site or to provide a Conditional Assignment and Assumption of Lease clearly signed by the Landlord or fail to open the Pink Zebra Moving Franchised Business within two hundred forty (240) days of the Agreement Date; or
- d. you abandon or fail to actively operate the Pink Zebra Moving Franchised Business for two (2) or more consecutive business days, unless the Pink Zebra Moving Franchised Business has been closed for a purpose we have approved ~~or because of casualty or government order~~; or
- e. you surrender or transfer control of the operation of the Pink Zebra Moving Franchise without our prior written consent; or
- f. you (or any of your owners) are or have been convicted by a trial court of, or have

pleaded no contest, or guilty, to, a felony or other serious crime or offense that is likely to adversely affect your reputation, our reputation or the reputation of any other Pink Zebra Moving franchisee; or

g. you (or any of your owners) engage in any dishonest or unethical conduct which may adversely affect the reputation of the Pink Zebra Moving Franchise or another Pink Zebra Moving Franchised Business or the goodwill associated with the Marks; or

h. you (or any of your owners) make an unauthorized assignment of this Agreement or of an ownership interest in you or the Pink Zebra Moving Franchised Business; or

i. in the event of your death or disability or the death or disability of the owner of a controlling interest in you, this Agreement or such owner's interest in you is not assigned as required under this Agreement; or

j. you lose the right to possession of the Site; or

k. you (or any of your owners) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Manuals in violation of this Agreement; or

l. you violate any health, safety or sanitation law, ordinance or regulation and do not begin to cure the noncompliance or violation immediately, and correct such noncompliance or violation within 5 days, after written notice is delivered to you; or

m. i) You fail to make payments of any amounts due to us or our affiliates under this Agreement or any other agreement that you have with us, and do not correct such failure within ten (10) days after written notice of such failure is delivered to you; or

ii) You fail to meet the minimum Gross Revenue levels as specified in this Agreement and/or pay the minimum Continuing License Fee required to be paid; or

n. you fail to make payments of any amounts due to approved suppliers of products or services and do not correct such failure within ten (10) days after written notice of such failure is delivered to you by such supplier; or

o. you fail to pay when due any federal or state income, service, sales or other taxes due on the operations of the Pink Zebra Moving Franchise, unless you are in good faith contesting your liability for such taxes; or

p. you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to you; or

q. you (or any of your owners) fail on two (2) or more separate occasions within any period of twelve (12) consecutive months or on three (3) occasions during the term of this Agreement to submit when due reports or other data, information or supporting records, to pay when due any amounts due to us or otherwise to comply with this Agreement, whether or not such failures to comply were corrected after written notice of such failure was delivered to you; or

r. you make an assignment for the benefit of creditors or admit in writing your insolvency

or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; the Pink Zebra Moving Office is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of you or the Pink Zebra Moving Franchised Business is not vacated within thirty (30) days following the entry of such order. You are required to notify us in writing within ten (10) days of any of the above events; or

s. you misuse or make an unauthorized use of the Marks or materially impair the goodwill associated with the Marks.

Notwithstanding the provisions described in Paragraph 15.1 and sub-paragraphs “a-s”, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over the Franchise and the parties to this Franchise Agreement shall limit our rights of termination or shall require a longer notice period than set forth above, this Franchise Agreement is deemed amended to conform to such rules and regulations.

**15.2 Your Failure to Pay Constitutes Your Termination of This Agreement.** Your failure to timely cure any breach of your obligation to make payments of Continuing License Fees, Marketing and Advertising Fund fees or any other monies due and owing to us under this Agreement, or to timely cure any other material breach of this Agreement committed by you, in either instance following our notice to you that you have committed a breach of this Agreement and granting you an opportunity to cure said breach, will be irrevocably deemed to constitute your unilateral rejection and termination of this Agreement and all related agreements between you and us or our affiliates, notwithstanding that a formal notice of such termination(s) ultimately issues from us, and you shall never contend or complain otherwise.

**15.3 Cross-Default.** Any default or breach by you, an affiliate which has been approved by us, and/or any guarantor of yours of any other agreement between us and you and/or such other parties will be deemed a default under this Agreement, and any default or breach of this Agreement by you and/or such other parties will be deemed a default or breach under any and all such other agreements between us and you, your affiliates and/or any guarantor of yours. If the nature of the default under any other agreement would have permitted us (or our affiliate) to terminate this Agreement if the default had occurred under this Agreement, then we will have the right to terminate all such other agreements in the same manner provided for in this Agreement for termination hereof. Your “affiliates” means any persons or entities controlling, controlled by or under common control with you.

**15.4 Options Prior to Termination.** Prior to the termination of this Agreement, if you fail to pay any amounts owed to us or our affiliates, or fail to comply with any term of this Agreement, then in addition to any right we may have to terminate this Agreement or to bring a claim for damages, we will have the option to:

- a. remove the listing of the Franchised Business from all advertising we may publish or approve;
- b. remove the listing of the Franchised Business from our Website;
- c. prohibit you from attending any meetings or seminars we hold or sponsor or that take place on our premises; and/or

d. suspend all services we provide to you under this Agreement or otherwise, including, but not limited to inspections, training, marketing assistance, and sale of products and supplies.

Our actions, as outlined in this Paragraph 15.4, may continue until you have brought your accounts current, cured any default, and complied with our requirements, and we have acknowledged the same in writing. You acknowledge that our taking of any of these actions would not prevent you from continuing to operate the Franchised Business (unless and until this Agreement has been terminated), and therefore would not constitute constructive termination of this Agreement. The taking of any of the actions permitted in this Paragraph will not suspend or release you from any obligation that would otherwise be owed to us or our affiliates under the terms of this Agreement or otherwise.

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

**16.1 Payment of Amounts Owed To Us.** You agree to pay us within fifteen (15) days after the effective date of termination or expiration of this Agreement, or on such later date that the amounts due to us are determined, such License Fees, Marketing and Advertising Fund fees, amounts owed for purchases from us, interest due on any of the foregoing and all other amounts owed to us which are then unpaid.

**16.2 Marks and De-Identification.** Upon the termination or expiration of this Agreement:

a. You may not directly or indirectly at any time or in any manner (except with respect to other Pink Zebra Moving Franchises you own and operate) identify yourself or any business as a current or former Pink Zebra Moving Business, or as one of our licensees or franchisees, use any Mark, any colorable imitation of a Mark or other indicia of a Pink Zebra Moving Business in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that indicates or suggest a connection or association with us. Within thirty (30) days of termination or expiration you are to deliver to us, at your own expense, all signs, sign-faces, marketing materials, forms and other materials containing any mark or otherwise identifying or relating to a Pink Zebra Moving Business. In our sole judgment, we may waive this requirement in writing provided that you provide a sworn Certificate of Destruction/De-identification detailing your compliance with these terms;

b. you agree to take such action as may be required to cancel all fictitious or assumed name or equivalent registrations or licenses relating to your use of any Mark;

c. if we do not have or do not exercise an option to purchase the Pink Zebra Moving Franchised Business, you agree to deliver to us within thirty (30) days after, as applicable, the effective date of expiration/termination of this Agreement or the Notification Date, all signs, sign-faces, marketing materials, forms and other materials containing any Mark or otherwise identifying or relating to a Pink Zebra Moving Business and allow us, without liability to you or third parties, to remove all such items from the Pink Zebra Moving Business;

d. if we do not have or do not exercise an option to purchase the Pink Zebra Moving Franchised Business, you agree that, after, as applicable, the effective date of expiration/terminations of this Agreement or the Notification Date, you will promptly and at your own expense make such alterations we specify to distinguish the business clearly from its former appearance and from other Pink Zebra Moving Franchised Business so as to prevent confusion by the public, including, without limitation, removing all exterior and interior signage bearing the Pink Zebra Moving's name or logo; removing all items bearing the Pink Zebra Moving name or logo; removing ceasing to use all our private labeled items;

e. if we do not have or do not exercise an option to purchase the Pink Zebra Moving

Franchised Business, you must return to us all proprietary manuals including the Confidential Operations Manual. These items are to be returned to us via ground delivery service, shipped no later than the day of closing, and a copy of the bill of lading/shipping order provided to us;

f. if we do not have or do not exercise an option to purchase the Pink Zebra Moving Franchised Business, you agree that, after, as applicable, the effective date of expiration/termination of this Agreement or the Notification Date, you will notify the telephone company and assign all telephone, facsimile or other numbers and any regular, classified or other telephone directory listings to us or at our direction and/or instruct the telephone company to forward all calls made to your telephone numbers to numbers we specify. You further appoint an officer of Franchisor as your attorney in fact, to direct the telephone company and any listing agencies to transfer any telephone numbers and listing to us should you fail to voluntarily do so, and the telephone company and all listing agencies shall accept such direction of this Agreement as conclusive of the exclusive rights of Franchisor in such telephone numbers and directory listings and its authority to direct their transfer; and

g. you agree to furnish us, within thirty (30) days after, as applicable, the effective date of expiration or termination of this Agreement or the Notification Date, with evidence satisfactory to us of your compliance with the foregoing obligations.

h. You agree to immediately cease use of the website, if authorized pursuant to the Franchise Agreement and you further acknowledge that we own the domain name of the aforesaid website and have the absolute right and authority to terminate your use of the aforesaid domain name and/or website.

i. You agree and acknowledge that when this Agreement expires or is terminated that we are the exclusive owner of all customer accounts, customer lists and customer information. Upon the expiration or termination of your franchise, you must transfer all customer lists, customer agreements, social media property, accounts and related information to us or the person or company we specify. We shall further have the right to require you to terminate any social media property.

**16.3 Confidential Information.** You agree that, upon termination or expiration of this Agreement, you will immediately cease to use any of our Confidential Information in any business or otherwise and return to us all copies of the Manuals and any other confidential materials that we have loaned to you.

**16.4 Competitive Restrictions.** Upon termination or expiration of this Agreement for any reason whatsoever, you agree that, for a period of two (2) years commencing on the Effective Date of termination or expiration neither you nor any of your owners will have any direct or indirect interest (including through a spouse, child or other family member) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, member, manager, representative or agent or in any other capacity in any Competitive Business operating:

- a. at the Site or within the Protected Territory; or
- b. within fifteen (15) miles of the Site or Protected Territory; or
- c. within twenty-five (25) miles of any other Pink Zebra Moving franchisee's Protected Territory as of the effective date of the termination or expiration.

If any person restricted by this Section refuses voluntarily to comply with the foregoing

obligations, the two (2) year period will commence with the entry of an order of an arbitrator, or court if necessary, enforcing this provision. You expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive you or your owners of your or their personal goodwill or ability to earn a living.

All persons with an ownership or voting interest in you if you are a Business Entity franchisee, all individual franchisees if you are not a Business Entity and any person employed by or under an independent contractor relationship with you whom receives or will receive any training by us or you which is directly or indirectly related to the System or involves any of the Confidential Information must execute the Confidentiality, Non-solicitation and Non-competition Agreement attached to the Franchise Disclosure Document no later than ten (10) days following the effective date of this Agreement (or, if any individual or entity attains such status after the effective date of this Agreement, within ten (10) days following such individual or entity's attaining such status).

#### **16.5 Our Right To Purchase.**

a. Exercise of Option. Upon our termination of this Agreement in accordance with its terms and conditions, we have the option, exercisable by giving written notice to you within sixty (60) days from the date of such termination, to purchase the Pink Zebra Moving Business from you, including the leasehold right to the Site. (The date on which we notify you whether or not we are exercising our option is referred to in this Agreement as the "Notification Date"). We have the unrestricted right to assign this option to purchase the Pink Zebra Moving Business. We will be entitled to all customary warranties and representations in connection with our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

b. Leasehold Rights. You agree at our election:

- (i) to assign your leasehold interest in the Site to us; or
- (ii) to enter into a sublease with us or our assignee, for the remainder of the lease term on the same terms (Including renewal options) as the prime lease; or
- (iii) to lease to us if you own the Site in accordance with the Agreement to Lease.

c. Purchase Price. The purchase price for the Pink Zebra Moving Business will be its fair market value, determined in a manner consistent with reasonable depreciation of the equipment, signs, inventory, materials and supplies provided that the Pink Zebra Moving Business will be valued as an independent business and its value will not include any value for:

- (i) the Franchise or any rights granted by the Agreement;
- (ii) the Marks; or
- (iii) participation in the network of Pink Zebra Moving Franchised Business.

The fair market value will include the goodwill you developed in the Protected Territory of the

Pink Zebra Moving Business that exists independent of the goodwill of the Marks and the System. The length of the remaining term of the lease for the Site will also be considered in determining the fair market value.

We may exclude from the assets purchased cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Pink Zebra Moving Business operation or that we have not approved as meeting our standards, and the purchase price will reflect such exclusions.

The purchase price will be paid at the closing of the purchase, which will take place not later than ninety (90) days after determination of the purchase price. We have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your owners owe to us. At the closing, you agree to deliver instruments transferring to us the following:

- (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interest acceptable to us), with all sales and other transfer taxes paid by you;
- (ii) Customer list, all licenses and permits of the Pink Zebra Moving Business which may be assigned or transferred; and
- (iii) the leasehold interest and improvements in the Site.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow. You and your owners further agree to execute general releases, in the form attached to the Franchise Disclosure Document, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns.

**16.6 Liquidated Damages.** You acknowledge that in the event of termination of this Agreement the parties cannot determine the exact amount of damages resulting from termination prior to the expiration of a term. Accordingly, you agree that if we terminate this Agreement, in addition to all the other remedies and causes of action and claims for relief available to us you will pay us liquidated damages in addition to amounts due to us accruing under this Agreement prior to termination. The amount of liquidated damages shall equal the average monthly royalties for the twenty-four (24) months preceding the date of termination multiplied by the ~~lesser-greater of sixty-thirty-six (3660)~~ or the number of months remaining that would have remained for the term of this Agreement at the time of termination. The imposition of liquidated damages pursuant to this Paragraph 16.6 shall be at our sole option and we may in addition to or in lieu thereof, pursue all or any of our remedies under this Agreement. You and we agree that liquidated damages under Paragraph 16.6 is a reasonable estimate of actual damages which we will sustain as a result of a breach of this Agreement and is not a penalty. Liquidated damages pursuant to this Paragraph will constitute neither a waiver of your obligation to comply with the foregoing Section 16 – “Rights and Obligations Upon Termination” nor a license to use the System.

**16.7 Transactional and Consumer Data.** Upon the termination or expiration of this Agreement, all transactional and consumer data is the property of and is exclusively owned by Franchisor. Franchisee forfeits all rights, privileges and benefits to transactional and customer data.

## **17. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

**17.1 Independent Contractors.** You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that we and you are and will be independent

contractors and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner or employee of the other for any purpose. You agree to conspicuously identify yourself in all dealings with customers, suppliers, public officials, office personnel and others as the owner of the Pink Zebra Moving Business under a franchise we have granted and to place such notices of independent ownership on such forms, business cards, stationery and advertising and other materials as we may require from time to time. If you do not do so, we may place the notices and accomplish the foregoing as we see fit, and you must reimburse us for doing so.

**17.2 No Liability for Acts of Other Party.** You agree not to employ any of the Marks in signing any contract or applying for any license or permit, or in a manner that may result in our liability for any of your indebtedness or obligations, and that you will not use the Marks in any way we have not expressly authorized. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other, represent that our respective relationship is other than franchisor and franchisee or be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Pink Zebra Moving Franchised Business operation or the business you conduct pursuant to this Agreement.

**17.3 Taxes.** We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, payroll, property or other taxes, whether levied upon you or the Pink Zebra Moving Franchise, in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us). Payment of all such taxes is your responsibility.

**17.4 Indemnification.** You agree to indemnify, defend and hold us, our affiliate and our respective shareholders, members, directors, officers, employees, agents, successors and assignees (the "Indemnified Parties") harmless from and to reimburse any one or more of the Indemnified Parties for all claims, obligations and damages described in this Section, any and all taxes arising from the operation of your Pink Zebra Moving Franchise, and any and all claims and liabilities directly or indirectly arising out of the Pink Zebra Moving Franchised Business's operation (even if our negligence is alleged, but not proven); any element of your development, opening and operation of your Pink Zebra Moving Franchise, including (without limitation) any personal injury, death or property damage suffered by any customer, employee or guest of the customer; crimes committed or vehicles used by Franchisee or any personnel of Franchisee; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party and/or the owners, officers, directors, management, employees, agent, servants, contractors, partners, proprietors, affiliates or representatives of you or the Pink Zebra Moving Franchised Business (or any third party acting on your behalf or at your direction), whether in connection with the Pink Zebra Moving Franchised Business or otherwise; all liabilities arising from labor and employment law violations; all liabilities for acts or omissions of Franchisee and Franchisee's employees; all liabilities arising from or related to your offer, sale and/or delivery of products and/or services as contemplated by this Agreement; and, any action by any customer of yours or visitor of the customer of yours; or your breach of this Agreement.

For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountant's, arbitrator's, attorney's and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

## **18. ENFORCEMENT.**

**18.1 Severability and Substitution of Valid Provisions.** Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and binding upon the parties hereto, although any portion held to be invalid shall be deemed not to be part of this Agreement from the date the time for appeal expires, if you are a party thereto, or upon your receipt of a notice of non-enforcement thereof from us. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to allow you a Successor Franchise to this Agreement than is required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operation procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the notice requirements hereof, and we shall have the absolute right to modify such invalid or unenforceable provision, specification, standard or operation procedure to the extent required to be valid and enforceable. Such modifications to this Agreement shall be effective only in such jurisdiction unless we elect to give them greater applicability and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

**18.2 Waiver of Obligations.** Whenever this Agreement requires our prior approval or consent, you shall make a timely written request therefore, and such approval shall be obtained in writing. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you by granting any waiver, approval or consent to you, or by reason of any neglect, delay or denial of any request therefore. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to continuing review by us and which we have the absolute right to revoke at any time and for any reason, effective upon receipt by you of ten (10) days prior written notice. We shall not be deemed to have waived or impaired any right, power, or option reserved by this Agreement (including, without limitation, our right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to terminate this Franchise prior to the expiration of its term), by virtue of any custom or practice of the parties at variance with the terms hereof; any failure by us or you to demand strict compliance with this Agreement, any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature against other franchisees of us or the acceptance by us of any payments due from you after failure to comply with any provision of this Agreement, nor acceptance by us of any payment by you or failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations, hereunder, including without limitation, any mandatory specification, standard or operating procedure, shall not constitute a waiver of any provision of this Agreement.

**18.3 Franchisee May Not Withhold Payment Due Franchisor.** You agree that you will not, on grounds of the alleged nonperformance by us of any of our obligations hereunder, withhold payment of any Continuing License Fees, Marketing and Advertising Fund fees, and amounts due to us for items

or products purchased by you or any other amounts due from you to us.

**18.4 Force Majeure.** If the performance of any obligation under this Franchise Agreement is prevented or delayed, in whole or in part, by reason of force majeure, or the consequence thereof, affecting the parties hereto or the rights granted hereunder, such force majeure to include but not be limited to acts of God, fire, flood, governmental restrictions, lockouts or labor disputes, then the affected party shall be given such additional time as is reasonable to perform in view of the nature and extent of the force majeure.

**18.5 Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) and the United States Arbitration Act, this Agreement and the franchise shall be governed by the laws of Alabama.

Franchisee waives any and all rights, actions or claims for relief under the Federal Act entitled "Racketeer Influenced And Corrupt Organizations", 18 U.S.C. Section 1961 et seq.

**18.6 Binding Effect.** This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, legal representatives, assigns and successors in interest.

The parties hereto agree that this Agreement may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders, Amendments or Addenda hereto. You are not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

**18.7 Construction.** The preambles are a part of this Agreement, and constitute the entire agreement of the parties, and, with the exception, if applicable, of a lease or sublease for the Office Site between us and you, there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. The headings of the Sections and Paragraphs hereof are for convenience only and do not define, limit or construe the contents of such Sections or Paragraphs. The term "you", "your" or "Franchisee" as used herein is applicable to one or more persons, a corporation, partnership, limited liability company or other legal entity, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. Reference to Franchisee, and "assignees" and "transferees" which are applicable to an individual or individuals shall mean the principal owner or owners of the equity or operating control of Franchisee or any such assignee or transferee if Franchisee or such assignee or transferee is a corporation, partnership, limited liability company or other legal entity. This Agreement may be executed in multiple copies, each of which shall be deemed an original. Time is of the essence of this Agreement.

**18.8 Judicial Enforcement, Injunction and Specific Performance.** Notwithstanding the provisions of Paragraphs 18.9 and 18.10, we shall be entitled, without bond, to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to Franchisee's use of the Marks, the obligations of Franchisee upon termination or expiration of the franchise, and assignment of the Franchise and ownership of Franchisee. If we secure any such injunction or order of specific performance, Franchisee agrees to pay to us an amount equal to the aggregate of our costs of obtaining such relief, including, without limitations, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, and any damages incurred by us as a result of the breach of any such provision.

**18.9 Mediation.** The parties hereto agree that before resorting to binding arbitration, that if any dispute arises between the parties hereto, any affiliated companies thereof or any of their officers, directors, partners, joint ventures, employees, agents, representatives or those in active concert with any of such parties, relating to anything other than the matters set forth in Section 9 and Paragraphs 16.4 and 18.8, the parties hereto agree to first try in good faith before resorting to arbitration, to settle the dispute by mediation in Jefferson County, Alabama, administered by the American Arbitration Association under its Commercial Mediation Rules and initiated at and supervised by the American Arbitration Association office in Jefferson County, Alabama, unless agreed otherwise by the parties. Disputes subject to mediation shall be all controversies, claims, and matters from the beginning of time, whether contractual or tort in nature, except for those matters specifically excluded in Section 9 and Paragraphs 16.4 and 18.8. The party who seeks resolution of a controversy, claim or dispute or other matter in question shall notify the other party and the American Arbitration Association office in writing of the existence and subject matter of such controversy, claim or dispute. Unless mutually agreed otherwise, the parties shall meet with the mediator within sixty (60) days after the recipient party has received notice of the dispute, and agree to utilize their best efforts and all expediency to resolve the matters in dispute. The mediation shall not continue longer than one (1) hearing day without the written approval of both parties. Neither party shall be bound by any recommendation of the mediator; however, any agreement reached during mediation shall be final and conclusive. The expense of mediation shall be shared equally by both parties. The parties' obligation to mediate will be deemed to be satisfied after one (1) hearing day or sixty (60) days after a mediation demand has been made if any party fails to appear or participate in good faith in the mediation.

Franchisor and the Franchisee each agree that the mediation process is negotiation for the purpose of compromise. All offers, promises, conduct, and statements, whether oral or written, made in the course of the mediation process by any of the parties, their agents, employees, experts and attorneys, shall be confidential. Franchisee acknowledges that Franchisor may require the Franchisee to execute a confidentiality agreement pertaining to the mediation process. Notwithstanding the foregoing, evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or not discoverable as a result of its use in the mediation process.

In the event the parties are unable to reach an agreement by mediation, then in that event all disputes, controversies, claims or causes of action shall be submitted to binding arbitration pursuant to Paragraph 18.10 hereinafter.

Except for matters specifically excluded in Section 9 and Paragraphs 16.4 and 18.8, if either Franchisor or Franchisee initiates arbitration without complying with their obligation to mediate, then upon petition of any party against whom such proceeding is initiated, the arbitrator will dismiss the action without prejudice, and award attorneys' fees and cost to the party seeking dismissal.

**18.10 Arbitration.** All disputes and claims relating to any provision of this Franchise Agreement (other than as set forth in Section 18, Paragraph 18.8 above, Franchisee's use of the Marks or the parties Exclusive Relationship or the obligations of Franchisee upon termination or expiration of the franchise, and assignment of the Franchise and ownership of Franchisee) any specification, standard, operating procedure, or rule or any other obligation of Franchisee prescribed by Franchisor or any obligation of Franchisor, or the breach thereof (including, without limitation, any claim that this Agreement, any provision hereof, any specification, standard, operating procedure or rule or any other obligation of Franchisee or Franchisor is illegal or otherwise unenforceable or voidable under any law, ordinance, or ruling) shall be settled by arbitration in Jefferson County, Alabama, or if Franchisor shall no longer maintain an office in Jefferson County, Alabama, then the home office of Franchisor. Arbitration shall be conducted in accordance with the United States Arbitration Act (9 U.S.C. Section 1 et seq.), if

applicable, and the Rules of the American Arbitration Association (relating to the arbitration of disputes arising under franchise and license agreements, if any, otherwise, the general rules of commercial arbitration), provided that the arbitrator appointed to arbitrate a dispute shall have at least ten (10) years' experience in franchise matters and shall award, or include in his/her award, the specific performance of this Agreement, and the arbitrator shall issue a written opinion explaining the reasons for his/her decision and award. The arbitrator shall have no authority to add, delete or modify in any manner, the terms and provisions of this Franchise Agreement. If a claim for amounts owed by Franchisee to Franchisor is asserted in the arbitration proceeding and if Franchisor shall prevail on such claim, Franchisor shall be entitled to so much of its cost and expenses including accounting and legal fees, as are attributable to the prosecution thereof. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof or of Franchisor or of Franchisee. During the pendency of an arbitration proceeding hereunder, Franchisee and Franchisor shall fully perform and comply with the provisions of this Agreement.

**18.11 Third Party Beneficiaries.** Our officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the arbitration provisions in Paragraph 18.10, each having authority to specifically enforce the right to arbitrate claims asserted against such person(s) by Franchisee.

**18.12 Class Claims.** Franchisee agrees that any arbitration between Franchisee and Franchisor will be Franchisee's individual claim and that the claim or claims subject to arbitration shall not be arbitrated on a class-wide basis.

**18.13 Entire Agreement.** Except for the representations made in the Franchisor's Disclosure Document, this Agreement, including the introduction, addenda and exhibits to it, constitutes the entire agreement between you and us. Notwithstanding the foregoing, nothing in the Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you. There are no other oral or written understandings or agreements between you and us concerning the subject matter of this Agreement. Except as expressly provided otherwise in this Agreement, this Agreement may be modified only by written agreement signed by both you and us.

**18.14 Certain Definitions.** The term "family member" refers to parents, spouses, offspring and siblings, and the parents and siblings of spouses. The term "affiliate" means any Business Entity directly or indirectly owned or controlled by a person, under common control with a person or controlled by a person. The terms franchisee, franchise owner, you and your, are applicable to one or more persons or to a Business Entity, as the case may be. The singular use of any pronoun also includes the plural and the masculine and neuter usages include the other and the feminine. The term "person" includes individuals, corporations, partnerships (general or limited), limited liability companies, and all artificial or legal entities. The term "Section" refers to a Section or Subsection of this Agreement. The word "control" means the power to direct or cause the direction of management and policies. The word "owner" means any person holding a direct or indirect, legal or beneficial ownership interest or voting right in another person (or a transferee of this Agreement or an interest in you), including any person who has a direct or indirect interest in you or this Agreement and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets.

**18.15 Time is of the Essence.** It will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement. In computing time periods from one date to a later date, the words "from" and "commencing on" (and the like) mean "from and including"; and the words "to", "until" and "ending on" (and the like) mean "to but excluding." Indications of time of

day mean Jefferson County, Alabama time.

**18.16. Anti-Terrorism Compliance.** You agree to comply with, and/or assist us to the fullest extent possible in our efforts to comply with, Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war (the “Anti-Terrorism Laws”). In connection with such compliance you certify, represent and warrant that none of your property or interests are subject to being “blocked” under any of the Anti-Terrorism Laws and that you are not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by you or your employees or any “blocking” of your assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements you have entered into with us or any of our affiliates, in accordance with the termination provisions of this Agreement.

**18.17 Our Withholding of Consent Your Exclusive Remedy.** In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld or delayed any consent or approval under this Franchise Agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim or defense. Your sole remedy for the claim will be mediation and arbitration proceedings in accordance with Paragraphs 18.9 and 18.10 respectively to enforce the Agreement provisions, for specific performance or for declaratory judgment.

**18.18 Notices.** All written notices and reports permitted or required under this Agreement or by the Manuals will be deemed delivered:

- a. Two (2) business days after being placed in the hands of a commercial airborne courier service for next business day delivery; or
- b. Three (3) business days after placement in the United States mail by certified mail, return receipt requested, postage prepaid.

All such notices must be addressed to the parties as follows:

IF TO US: PINK ZEBRA MOVING, LLC  
505 20<sup>th</sup> Street North, Suite 1010  
Birmingham, AL 35223

IF TO YOU: \_\_\_\_\_  
Attention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Either you or we may change the address for delivery of all notices and reports and any such notice will be effective within ten (10) business days of any change in address. Any required payment or report not actually received by us during regular business hours on the date due (or postmarked by postal authorities at least two (2) days prior to such date, or in which the receipt from the commercial courier service is not dated prior to two (2) days prior to such date) will be deemed delinquent.

Intending to be bound, you and we sign and deliver this Agreement in two (2) counterparts effective on the Agreement Date, regardless of the actual date of signature.

**19. SPOUSAL CONSENT.**

If you have obtained our approval and the Franchisee is a corporation, partnership, limited liability company or other form of legal entity, then the spouse of each of your owners, or, for, an individual(s), or subsequent to execution hereof you marry or you assign this Agreement to an individual(s), then in either event, the spouse(s) hereby jointly and severally personally and unconditionally guarantee(s) without notice, demand or presentment, the payment of all of your monetary obligations under this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such spouses further agree to be bound by restrictions upon your activities upon transfer, termination or expiration of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such spouses must execute a spousal consent in the form attached hereto as Exhibit "One B". In the event of divorce and re-marriage, or subsequent marriage, you covenant and agree to provide Franchisor with a properly executed spousal consent and guarantee, in the form prescribed by Franchisor.

[ Signatures on page that follows.]

**“FRANCHISEE”**

**“FRANCHISOR”**

**NAME OF ENTITY**

**PINK ZEBRA MOVING, LLC**

By:

By:

Title:

Title:

Date:

Date:

If individuals:

\_\_\_\_\_

(Signature)

Dated: \_\_\_\_\_

\_\_\_\_\_

(Printed Name)

\_\_\_\_\_

(Signature)

Dated: \_\_\_\_\_

\_\_\_\_\_

(Printed Name)

**EXHIBIT "ONE A"**  
**TO THE FRANCHISE AGREEMENT**

**PROTECTED TERRITORY**

I. Your Protected Territory consists of \_\_\_\_\_ ~~2022 census~~ 2023 census total population.

II. Your Protected Territory Description

See Exhibit A-1 Attached.

III. Total Number of Offices Required to be Open in the Protected Territory \_\_\_\_\_ (Number of Office Site Locations); if this is a Multi-Territory Franchise, the Total Number of Offices Required to be Open in the Protected Territory shall be determined in The Multi-Territory Addendum (Exhibit H) attached hereto.

IV. Your Office Site(s) or Approved Location(s) when we accept your office location(s) the Office address(es) will be filled in on this page when we approve the Office Site(s) you have selected

(1) Office Address for Office Site No. 1

\_\_\_\_\_  
\_\_\_\_\_(address)

(2) Office Address for Office Site No. 2

\_\_\_\_\_  
\_\_\_\_\_(address)

(3) If additional offices are required, the office address for each Office Site shall be specified below \_\_\_\_\_

**EXHIBIT "A-1"**  
**TO THE FRANCHISE AGREEMENT**  
**PROTECTED TERRITORY**

**EXHIBIT “ONE B”**  
**TO THE FRANCHISE AGREEMENT**  
**SPOUSAL CONSENT**

The undersigned person(s) hereby represent(s) to Pink Zebra Moving, LLC that he/she is the spouse of the individual franchisee(s) who has executed a Pink Zebra Moving, LLC Franchise Agreement dated the day of \_\_\_\_\_, 20\_\_\_\_ or that he/she is the spouse of one of the Owners of the legal entity who executed the Pink Zebra Moving, LLC, Franchise Agreement of the same date. In consideration of the grant by Pink Zebra Moving, LLC, to the Franchisee as herein provided, each of the undersigned spouses agrees, in consideration of benefits received and to be received by each of them, jointly and severally, and for themselves, their heirs, legal representatives and assigns that they, and each of them, will be firmly bound by all of the terms, provisions and conditions of the foregoing Pink Zebra Moving, LLC Franchise Agreement, that they and each of them jointly and severally do hereby unconditionally guarantee the full and timely performance by the Franchisee of each and every obligation of the Franchisee under the aforesaid Franchise Agreement, including, without limitation, any indebtedness of the Franchisee arising under or by virtue of the aforesaid Franchise Agreement. The undersigned jointly and severally further agree(s) to be bound by the in-term and post-term covenants set forth in Section 9 and in Paragraph 16.4 of the aforesaid Franchise Agreement.

WITNESS:

Signature of SpouseSigner: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**EXHIBIT "ONE C"**  
**TO THE FRANCHISE AGREEMENT**  
**ACH ORIGINATION AUTHORIZATION**



| Printed Name & Title: \_\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT "ONE D"**  
**TO THE FRANCHISE AGREEMENT**

**APPLICABLE STATE SPECIFIC AND OTHER ADDENDA AND RIDERS**

## ADDENDUM

### FOR FRANCHISEE OBTAINING SBA ASSISTED FINANCING

**THIS ADDENDUM** (the “**Addendum**”) is entered into on \_\_\_\_\_, 20\_\_ (the “**Effective Date**”) between **PINK ZEBRA MOVING, LLC**, an Alabama limited liability company (“**we,**” “**us,**” “**our**” or “**Franchisor**”) with its principal office at 505 20<sup>th</sup> Street North, Suite 1010, Birmingham, AL 35203, and \_\_\_\_\_, whose principal place of business is \_\_\_\_\_ (“**you,**” “**your**” or “**Franchisee**”) (collectively the “**Parties**”).

### RECITALS

**WHEREAS**, the Parties entered into that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “**Franchise Agreement**”), pursuant to which you agreed, among other things, to own and operate a Pink Zebra Moving Franchise in an Approved Territory;

**WHEREAS**, the Franchise Agreement is in full force and effect and, as of the Effective Date of this Addendum, Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured on the date hereof.;

**WHEREAS**, Franchisee has obtained a loan (the “**Loan**”) from a lender in which funding is provided with the assistance of the United States Small Business Administration (“**SBA**”); and

**WHEREAS**, SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing.

**NOW, THEREFORE** in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which the Parties acknowledge, the Parties agree as follows:

### AGREEMENT

1. **Recitals.** The above recitals are true and accurate and are incorporated in full herein.
2. **Transfer.** Franchisor’s approval of a transfer or assignment pursuant to Section 14 of the Franchise Agreement shall not be unreasonably withheld and shall be approved or disapproved within a reasonable time after written notice of the proposed transfer.

3. **Non-Waiver.** This Addendum does not waive any provision contained in the Franchise Agreement or waive any rights Franchisor has under the Franchise Agreement.

4. **Addendum Termination.** This Addendum automatically terminates on the earliest date on which one of the following occurs: (1) the Franchise Agreement is terminated; (2) the Loan is paid; or (3) SBA no longer has any interest in the SBA financing.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement on the day and year first written above.

**US:**

**YOU:**

**PINK ZEBRA MOVING, LLC**

\_\_\_\_\_

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

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

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

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

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

**EXHIBIT “G” TO THE DISCLOSURE DOCUMENT**

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**FORM OF PRELIMINARY APPROVAL AGREEMENT**

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**EXHIBIT G  
To Disclosure Document**

**PRELIMINARY APPROVAL AGREEMENT**

**PINK ZEBRA MOVING, LLC**

**AGREEMENT**

**TERRITORY:**

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**PROPOSED FRANCHISE LOCATION:**

Address:

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The enclosed check, in the amount of five thousand dollars (\$5,000) shall act as a deposit toward the payment of the Initial Franchise Fee of thirty thousand dollars (\$30,000).

We understand that the above deposit, when accepted by Pink Zebra Moving, LLC will allow us for a \_\_ day period (commencing the date we and Pink Zebra Moving, LLC sign this Preliminary Approval Agreement) to purchase a Pink Zebra Moving, LLC Franchise for the thirty thousand dollars (\$30,000) Initial Franchise Fee. We agree our deposit shall be applied to the thirty thousand dollars (\$30,000) Initial Franchise Fee for a Pink Zebra Moving franchise.

We agree if we sign a Franchise Agreement within \_\_\_ days from the date this Preliminary Approval Agreement is signed by us and Pink Zebra Moving, LLC and pay the balance of the Initial Franchise Fee twenty five thousand dollars (\$25,000) on the date the Franchise Agreement is signed, the total deposit five thousand dollars (\$5,000) will be applied as a credit to the initial franchise fee. We further agree that if we do not sign a Franchise Agreement on or before \_\_\_ days from the signing this Preliminary Approval Agreement by us and Pink Zebra Moving, LLC our deposit five thousand dollars (\$5,000) is forfeited and is non refundable.

We further understand and agree that neither our deposit of five thousand dollars (\$5,000) nor any rights associated with it are assignable without the prior written consent of Pink Zebra Moving, LLC, which consent may be withheld by Pink Zebra Moving, LLC at its sole and absolute discretion.

This deposit and other payments shall be made payable to "PINK ZEBRA MOVING, LLC".

Facsimile Signatures: A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Preliminary Approval Agreement and all Addenda and any amendments hereto. If Prospective Franchisee delivers a facsimile signature, Prospective Franchisee shall also deliver an original counterpart to Pink Zebra Moving, LLC. If Prospective Franchisee delivers a facsimile signature, Prospective Franchisee is not entitled to challenge the validity or authenticity of the signature or the document on the ground that it is not original.

By our signature below, we accept and hereby acknowledge receipt of a completed copy of this Preliminary Approval Agreement and agree to the terms herein this the \_\_ day of \_\_\_\_\_, 20\_\_\_. This Preliminary Approval Agreement shall not become effective until Pink Zebra Moving, LLC has signed this Agreement.

**NAME OF ENTITY**

**PINK ZEBRA MOVING, LLC**

By:

By:

Title:

Title:

Date:

Date:

If individual(s):

\_\_\_\_\_  
(Signature)

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Signature)

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name)

**EXHIBIT “H” TO THE DISCLOSURE DOCUMENT**

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**FORM OF MULTI-TERRITORY ADDENDUM**

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**EXHIBIT H**  
**To Disclosure Document**

**MULTI-TERRITORY ADDENDUM**

**PINK ZEBRA MOVING, LLC**

**AGREEMENT**

THIS MULTI-TERRITORY ADDENDUM (the “Addendum”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **PINK ZEBRA MOVING, LLC** an Alabama limited liability company (referred to in this Addendum as “Franchisor,” “we,” “us,” or “our”), and \_\_\_\_\_ a \_\_\_\_\_ with its \_\_\_\_\_ principal \_\_\_\_\_ place \_\_\_\_\_ of \_\_\_\_\_ business \_\_\_\_\_ as \_\_\_\_\_ (referred to in this Addendum as “Franchisee,” “you” or “your”).

**BACKGROUND**

**A.** Contemporaneous with the execution of this Addendum, Franchisee and Franchisor entered into \_\_\_\_ (fill in the number) Franchise Agreements (collectively, the “Applicable Franchise Agreements”) and, under each such Applicable Franchise Agreement, Franchisee obtained the right and is undertaking the obligation to operate a franchised business under the Applicable Franchise Agreement).

**B.** Each applicable Franchise Agreement has its own Protected Territory wherein Franchisee is required to actively promote and operate a franchised business (collectively, the territories granted under the Applicable Franchise Agreements will be referred to as the “Protected Territories”).

**C.** The parties now wish to amend, certain provisions of the Applicable Franchise Agreements pursuant to the terms and conditions set forth in this Addendum.

**AGREEMENT**

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**1. Multi-Territory Initial Franchise Fees.**

Notwithstanding anything contained in Paragraph 5.1 of the Applicable Franchise Agreements, Franchisee will not be required to pay Franchisor an Initial Franchise Fee under the Applicable Franchise Agreement but instead will pay Franchisor a lump-sum multi-territory Initial Franchise Fee as follows (the “Multi-Territory Initial Franchise Fee”):

<b>Number of Franchise Agreements</b>	<b>Number of Protected Territories</b>	<b>Cumulative Initial Franchise Fees</b>
2	2	\$45,000
3	3	\$55,000
4	4	\$65,000
5	5	\$75,000

**2. Total Number of Offices Required to be Open in the Protected Territories.**

Notwithstanding anything contained in Exhibit “One A” of the Applicable Franchise Agreements, Franchisee will be required to open \_\_\_\_ offices in the Protected Territory.

**3. Telephone / Communications Fee**

Notwithstanding anything contained in Paragraph 5.11 of the Applicable Franchise Agreements, Franchisee will pay Franchisor an ongoing monthly Telephone/Communications Fee of One Hundred and Seventy-five Dollars (\$175) per month per office site.

**4. Scheduling Software Service Fee.**

Notwithstanding anything contained in Paragraph 5.14 of the Applicable Franchise Agreements, Franchisee will pay Franchisor an ongoing monthly Scheduling Software Service Fee of three hundred ninety-nine dollars (\$399) per month per office site. All other provisions and obligations in Paragraph 5.14 of the Applicable Franchise Agreements are hereby ratified and confirmed.

**5. National Sales Center Fee.**

Notwithstanding anything contained in Paragraph 5.14 of the Applicable Franchise Agreements, Franchisee will pay Franchisor a monthly National Sales Center Fee (subject to annual increases) for the Applicable Franchise Agreements, ~~which is subject to increase annually.~~ The National Sales Center Fee- for the first three (3) months after Opening is zero dollars (\$0.00) plus up to forty dollars (\$40) per successful sales conversion, thereafter the monthly charge is three hundred ninety nine dollars (\$399) plus up to forty dollars (\$40) per successful sales conversion. ~~shall be three hundred ninety nine dollars (\$399) for the first (1<sup>st</sup>) Protected Territory, and point zero three cents (\$0.003) times the number of 2022 census total population in each additional adjacent Protected Territory, divided by twelve (12).~~

All other provisions and obligations in Paragraph 5.15 of the Applicable Franchise Agreements are hereby ratified and confirmed.

**6. Local Marketing Services.**

Notwithstanding anything contained in Paragraph 11.2 of the Applicable Franchise

Agreements, Franchisee will pay Franchisor a monthly Local Marketing Services Fee, which is the greater of two thousand and five hundred dollars (\$2,500) or two and one-half cents (\$0.025) times the number of ~~2022 census~~2023 census total population in your Protected Territory divided by twelve (12). Franchisee must also pay the then current third-party administration fee. Each month thereafter you will be required to spend the greater of one thousand and five hundred dollars (\$1,500) or two and one-half cents (\$0.025) times the number of ~~2022 census~~2023 census total population in your Protected Territory divided by twelve (12). You must also pay the then current third-party administration fee per office site. The third-party administration fee is currently one thousand, five hundred dollars (\$1,500) per month and is set by the vendor.

#### **7. Training.**

Franchisee is only entitled to attend and complete Franchisor's training program set forth in Paragraph 6.1 of the Applicable Franchise Agreements, respectively, once in connection with the franchised businesses governed by this Addendum. All other provisions regarding Franchisee's training obligations in the Applicable Franchise Agreements are hereby ratified and confirmed.

#### **8. Default of Addendum Constitutes Default Under All Applicable Franchise Agreements.**

In the event of any default or breach by Franchisee, or an affiliate which has been approved by us, of any provision of this Addendum such breach or default of this Addendum will constitute a material default and a breach of all Applicable Franchise Agreements and will enable Franchisor to terminate one or more of the Applicable Franchise Agreements upon providing written notice, or otherwise terminate Franchisee's Protected Territories.

#### **9. Ratification and Confirmation of the Applicable Franchise Agreements.**

This Addendum shall be considered an integral part of the Applicable Franchise Agreements. Except as modified or supplemented by this Addendum, all of the rights and obligations of the parties set out in the Applicable Franchise Agreements are binding on the parties hereto.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Applicable Franchise Agreements or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

This Addendum constitutes an amendment to all Applicable Franchise Agreements.

[ Signatures on page that follows. ]

**IN WITNESS WHEREOF**, each of the undersigned hereby acknowledges having reads this Addendum, understand consent to be bound by all of the terms and agree it shall become effective on the day and year first above written.

**FRANCHISOR**

**PINK ZEBRA MOVING, LLC**

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

Its: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

**FRANCHISEE**

\_\_\_\_\_  
Name of Entity

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

Its: \_\_\_\_\_

**IF INDIVIDUAL(S):**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

**EXHIBIT “I” TO THE DISCLOSURE DOCUMENT**

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**FORM OF  
CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE**

---

**CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE**

**THIS CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE** (this “**Assignment**”) is made, entered into and effective as of the effective date of the Lease (as defined herein below), by, between and among **PINK ZEBRA MOVING, LLC**, an Alabama limited liability company with its principal business address located at 505 20th Street North, Suite 1010, Birmingham, AL 35203 (“**Franchisor**,” “**we**,” “**us**” or “**our**”), and \_\_\_\_\_ whose current principal place of business is \_\_\_\_\_ (“**Franchisee**,” “**you** or “**your**”).

**BACKGROUND INFORMATION**

We entered into that certain Franchise Agreement (the “**Franchise Agreement**”) dated as of \_\_\_\_\_, 20\_\_ with you, pursuant to which you plan to own and operate a Pink Zebra Moving franchise located at that certain office location approved by us located at \_\_\_\_\_ pursuant to the Franchise Agreement between you and us (the “**Approved Office Location**” or “**Site**”). In addition, pursuant to that certain Lease Agreement (the “**Lease**”), you have leased or will lease certain space containing the Pink Zebra Moving Franchise described therein from \_\_\_\_\_ (the “**Lessor**”). The Franchise Agreement requires you to deliver this Assignment to us as a condition to the grant of a franchise.

We and you agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information.
2. **Incorporation of Terms:** Terms not otherwise defined in this Assignment have the meanings as defined in the lease.
3. **Indemnification of Us:** You agree to indemnify and hold us and our affiliate, if any, our members, directors, officers and representatives harmless from and against any and all losses, liabilities, liabilities arising from labor and employment law violations, claims, proceedings, demands, damages, judgments, injuries, attorneys’ fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.
4. **Assignment:** You grant to us a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Approved Office Location and the franchise relating to the Pink Zebra Moving Franchise, and all of your rights, title and interest in and to the Lease as collateral for the payment of any obligation, liability or other amount owed by you or your affiliates (if permitted by us) to the Lessor arising under the Lease and for any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by you under the terms of the Lease, or, in the event we make any payment to the Lessor as a result of your breach of the Lease, then such payment by us, or such breach or default by you, will at our option

be deemed to be an immediate default under the Franchise Agreement, and we will be entitled to the possession of the Site and to all of your rights, title and interest in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any of our other rights or remedies under any other Agreements or under other applicable laws or equities. This Assignment will constitute a lien on your interest in and to the Lease until satisfaction in full of all amounts owed by you to us. In addition, our rights to assume all obligations under the Lease provided in this Assignment are totally optional on our part. You agree to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by us to perfect or document the interests and assignments granted herein.

5. **No Subordination:** You will not permit the Lease to become subordinate to any lien without first obtaining our written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for your operations on the Site and the agreements and other instruments referenced herein. You will not terminate, modify or amend any of the provisions or terms of the Lease without our prior written consent. Any attempt at termination, modification or amendment of any of the terms without such written consent is null and void.

6. **Exercise of Remedies:** In any case of default by you under the terms of the Lease or under the Franchise Agreement, we will be entitled to exercise any one or more of the following remedies:

(a) to take possession of the Approved Office Location, or any part thereof, personally, or by our agents or attorneys;

(b) to, without notice and with or without process of law, enter upon and take maintain possession of all or any part of the Approved Office Location, together with all your furniture, fixtures, inventory, books, records, papers and accounts;

(c) to exclude you, your agents or employees from the Approved Office Location;

(d) as your attorney-in-fact or in our own name, and under the powers herein granted, to hold, operate, manage and control the Pink Zebra Moving Franchised Business and conduct the business, if any thereof, either personally or by our agents, with full power to use such measures, legally rectifiable, as we may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to us to exercise each and every right or the rights, privileges and powers herein granted at any and all times hereafter;

(e) to cancel or terminate any unauthorized agreements or subleases entered into by you, for any cause or ground which would entitle us to cancel the same;

(f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious; and

(g) to insure and reinsure the same for all risks incidental to our possession, operation and management thereof; and/or

(h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of your rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of your default under the Lease.

7. **Power of Attorney:** You do hereby irrevocably appoint us as your true and lawful attorney-in-fact in your name and stead and hereby authorize us, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions as we may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as we would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon us pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our written consent.

8. **Election of Remedies:** It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to us and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the parties, but are deemed an additional remedy and are cumulative with the remedies therein and elsewhere granted to us, all of which remedies are enforceable concurrently or successively. No exercise by us or any of the rights hereunder will cure, waive or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by us will be construed as a waiver of any of our rights and remedies and no waiver by us of any such rights and remedies will be construed as a waiver by us of any future rights and remedies.

9. **Binding Agreements:** This assignment and all provisions are binding upon the parties, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words “we”, “us” or “our” or “you” and “your” includes all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate or other legal entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder or member authorizations and approvals.

10. **Assignment to Control.** This Assignment governs and controls over any conflicting provisions in the lease.

11. **Attorney’s Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys’ fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing Party.

12. **Severability.** If any of the provisions of this Assignment or any section or subsection of this Assignment is to be held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected there by and will remain in full force and effect in accordance with its terms.

**IN WITNESS WHEREOF**, the Parties have caused this Assignment to be executed as of the day and year first above written.

**“YOU”**:

\_\_\_\_\_  
Name of Entity

**“US”**

**PINK ZEBRA MOVING, LLC,**

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

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

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

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

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

**THIS CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE** is accepted and agreed to by:

**“Lessor”**

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

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

**EXHIBIT “J” TO THE DISCLOSURE DOCUMENT**

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**FORM OF  
PRINCIPAL OWNER’S GUARANTY**

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## PRINCIPAL OWNER'S GUARANTY

This Guaranty must be signed by each of the principal owners (referred to as “**you**”, “**your**” or “**Guarantor**” for purposes of this Guaranty only) of \_\_\_\_\_ (the “**Business Entity**”) under the Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “**Agreement**”) with PINK ZEBRA MOVING, LLC (“**we**”, “**us**”, “**our**” or “**Franchisor**”).

1. **Incorporation of Terms**. Each term of the Agreement is incorporated into this Guaranty.

2. **Guaranty**. In consideration of and as an inducement to us signing and delivering the Agreement, each of you signing this Guaranty personally and unconditionally: guarantee to us and our successors and assigns that (a) the Business Entity will punctually pay and perform every obligation and obey every restriction and covenant set forth in the Agreement and each and every Agreement entered into by and between Us and the Business Entity; and (b) each of you jointly and severally agrees to be personally bound by, and personally liable for the breach of, each and every obligation, restriction and covenant in the Agreement.

3. **Payment**. If the Business Entity fails to make any payment when due or otherwise defaults under any of the terms of the Agreement, immediately upon demand, you will pay to us the full amount owed, plus any interest or penalty allowed under the Agreement. All payments are made without set-off, deduction or withholding for any reason, and are final and free from any defense, claim or counterclaim of you, except the defense that the Business Entity has paid all obligations in full.

4. **Waivers**. Each of you waives: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.

5. **Consents and Agreements**. Each of you consents and agrees that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to the Business Entity or to any other person, including without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will

continue and is irrevocable during the term of the Agreement and, if required by the Agreement, after its termination or expiration.

6. **Enforcement Costs.** If we are required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

7. **Effectiveness.** Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Each of you agrees that this "Principal Owners Guaranty" may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature with regard to this "Principal Owners Guaranty." You are not entitled to challenge the validation or authenticity of the electronic signature or this document on the grounds that it is not an original. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement. This Guaranty is governed by Alabama law and we may enforce your rights regarding it by arbitration in Jefferson County, Alabama, or if we no longer maintain an office in Jefferson County, Alabama then our home office. Arbitration shall be conducted in accordance with the United States Arbitration Act (9 U.S.C. Section 1 *et seq.*), if applicable, The Rules of the American Arbitration Association relating to the Arbitration of disputes arising under franchise and license agreements, if any, otherwise, the general rules of commercial arbitration, provided that the arbitrator shall award, or include in his/her award, the specific performance of this Agreement, and the arbitrator shall issue a written opinion explaining the reasons for his/her decision and award. If a claim for amounts owed by you to us is asserted in the arbitration proceeding and if we shall prevail on such claim, we shall be entitled to so much of our cost and expenses including accounting and legal fees, as are attributable to the prosecution thereof. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof or of us or of you.

Each of you now signs and delivers this Guaranty effective as of the date of the Agreement regardless of the actual date of signature.

**PERCENTAGE OF OWNERSHIP**

**GUARANTORS**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE \_\_\_\_\_

**EXHIBIT “K” TO THE DISCLOSURE DOCUMENT**

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**FORM OF  
PRINCIPAL OWNER’S STATEMENT**

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**PRINCIPAL OWNERS STATEMENT**

This form must be completed by you if you have multiple owners or if you, or your franchised business, is owned by a business organization (like a corporation, partnership or limited liability company). We are relying on the truth and accuracy of this form in awarding the Franchise Agreement to you.

1. **Form of Owner.** Franchisee is a (check one):

- (a) General Partnership \_\_\_\_\_
- (b) Corporation \_\_\_\_\_
- (c) Limited Partnership \_\_\_\_\_
- (d) Limited Liability Company \_\_\_\_\_
- (e) Other \_\_\_\_\_

Specify: \_\_\_\_\_

Franchisee was formed under the laws of \_\_\_\_\_.  
(State)

2. **Business Entity.** Franchisee was incorporated or formed on \_\_\_\_\_, 20\_\_, under the laws of the State of \_\_\_\_\_. Franchisee has not conducted business under any name other than your corporate, limited liability company or partnership name and \_\_\_\_\_. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

<b><u>Name of Person</u></b>	<b><u>Position</u></b>
_____	_____
_____	_____
_____	_____

3. **Owners.** The following list includes the full name and mailing address of each person who is one of your owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

<b><u>Owner's Name and Address</u></b>	<b><u>Description of Interest</u></b>
_____	_____
_____	_____
_____	_____

4. **Governing Documents.** Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., operating agreement, certificate of formation, articles of incorporation or organization, partnership or shareholder agreements, etc.)

This Statement of Principal Owners is current and complete as of \_\_\_\_\_,  
20\_\_.

You agree that this document may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this document. You are not entitled to challenge the validation or authenticity of the electronic signature or this document on the ground that it is not the original.

**OWNER**

**INDIVIDUALS**

\_\_\_\_\_

[Signature]

\_\_\_\_\_

[Print Name]

\_\_\_\_\_

[Signature]

\_\_\_\_\_

[Print Name]

**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_

[Name]

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

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

**EXHIBIT “L” TO THE DISCLOSURE DOCUMENT**

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**FORM OF CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION  
AGREEMENT FOR FRANCHISE AGREEMENT**

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**CONFIDENTIALITY, NON-SOLICITATION AND  
NON-COMPETITION AGREEMENT**

**NAME:** \_\_\_\_\_

**FRANCHISEE:** \_\_\_\_\_

**HOME ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_

**HOME TELEPHONE:** \_\_\_\_\_

**CLASSIFICATION:** \_\_\_\_\_

**(Owner, Shareholder, Officer, Director, Attorney, Employee, Etc.)**

\_\_\_\_\_ (“Franchisee”) is a franchisee of Pink Zebra Moving, LLC (“Franchisor”) pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make them available to any unauthorized person. Upon the expiration, I agree to return to Franchisor or Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my ownership, employment, association, service or participation, and under the circumstances set forth in the following paragraph, for a period of two years immediately following its expiration or termination for any reason, I will not, directly or indirectly engage or participate in any Competitive Business, as defined below, which is located within fifteen (15) miles of the Franchised Business or provides such services to customers within twenty-five (25) miles of the perimeter of any Protected Territory of any franchisee operating under

the Pink Zebra Moving, LLC system. I agree that I am prohibited from engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

The term “Competitive Business” as used in this agreement means local moving business, any business or facility owning, operating or managing, or granting franchises or licenses to others to do so, any local moving business (other than a franchise agreement with Franchisor), exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Alabama without recourse to Alabama (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Alabama, and if the Franchised Business is located outside of Alabama and the provision would be enforceable under the laws of the state in which the Franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, “implied covenant”, unfair competition, fiduciary or any other doctrine of law of the State of Alabama or any other state, which would not otherwise apply.

I further agree that all disputes and claims relating to this Agreement and of the Franchise Agreement (other than your engaging in a Competitive Business, as defined above, upon termination or expiration of the Franchise Agreement, the use of our name or trademarks) shall be settled by Arbitration in Jefferson County, Alabama, or if Franchisor shall no longer maintain an office in Jefferson County, Alabama, then the home office of Franchisor. Arbitration shall be conducted in accordance with the United States Arbitration Act (9 U.S.C. Section 1 *et seq.*), if applicable, and the Rules of the American Arbitration Association (relating to the arbitration of disputes arising under franchise and license agreements, if any, otherwise, the general rules of commercial arbitration), provided that the arbitrator shall award, or include in his/her award, the specific performance or injunction remedies of this Agreement, and the arbitrator shall issue a written opinion explaining the reasons for his/her decision and award. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof or of Franchisor, Franchisee or me as an owner, shareholder, officer, director, attorney, employee or any other relationship I have with the Franchisee. During the pendency of an arbitration proceeding hereunder, Franchisee and Franchisor shall fully perform and comply with the provisions of this Agreement.

I hereby waive and covenant never to assert or claim that arbitration is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

I hereto agree that this document may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this document. You are not entitled to challenge the validation or authenticity of the electronic signature or this document on the ground that it is not the original.

[ Signature page follows. ]

Witness:

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(Signature)

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Date

---

(Printed Name)

**EXHIBIT "M" TO THE DISCLOSURE DOCUMENT**

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**FORM OF  
FORM OF KEY-EMPLOYEE MANAGER CONFIDENTIALITY AGREEMENT**

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**CONFIDENTIALITY AGREEMENT AND  
ANCILLARY COVENANTS NOT TO COMPETE**

This Agreement is made and entered into \_\_\_\_\_, 20\_\_\_, between Pink Zebra Moving, LLC, an Alabama Limited Liability Company (“Franchisor”), and if applicable, \_\_\_\_\_ (“Franchisee”) and \_\_\_\_\_ (“Employee”).

**RECITALS**

**WHEREAS**, Franchisor, as a result of the expenditure of time, skill, and money, has developed and is continuing to develop a system (the “System”) for the development and operation of franchises under the name and Mark “Pink Zebra Moving” (“hereinafter “Business or sometimes “Franchised Business”); and

**WHEREAS**, Franchisor identifies the System through certain trade names, trademarks, services marks, symbols, logos, emblems and indicia of origin, including, without limitation, the name “Pink Zebra Moving” and such other trade names, trademarks and service marks as Franchisor may develop in the future for the purpose of identifying for the public the sources of services and products marketed under such marks and under the System and representing the System’s high standards of quality, appearance and service, all of which may be changed, improved and further developed by Franchisor from time to time (collectively, the “Trade Secrets”); and

**WHEREAS**, the Trade Secrets provide economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means by Franchisor’s competitors who could obtain economic value from knowledge and use of the Trade Secrets; and

**WHEREAS**, Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and

**WHEREAS**, Franchisor has granted Franchisee a limited right pursuant to a Franchise Agreement to operate a Pink Zebra Moving Franchised Business using the System and the Trade Secrets for the period defined in the Franchise Agreement; and

**WHEREAS**, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to the Franchisee and other licensed users of the System of restricting use, access and dissemination of the Trade Secrets; and

**WHEREAS**, it will be necessary for certain employees of Franchisee to have access to and use some or all of the Trade Secrets in the management and operation of Franchisee’s Business using the System; and

**WHEREAS**, Franchisee has agreed to obtain from those employees written agreements protecting the Trade Secrets and System against unfair competition; and

**WHEREAS**, Employee wishes to remain, or wishes to become, an employee of Franchisee; and

**WHEREAS**, Employee wishes and needs to receive and use the Trade Secrets in the course of his/her employment to effectively perform his/her services for Franchisee; and

**WHEREAS**, Employee acknowledges that receipt of and the right to use the Trade Secrets in the course of his/her employment to effectively perform his/her services for Franchisee; and

**NOW THEREFORE**, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

**Confidentiality Agreement**

1. Franchisor and/or Franchisee shall disclose to Employee some or all of the Trade Secrets relating to the System.

2. Employee shall receive the Trade Secrets in confidence, maintain them in confidence and use them only in the course of his/her employment by Franchisee and only in connection with the management and/or operation by Franchisee of the Franchised Business using the System for so long as Franchisee is licensed by Franchisor to use the System.

3. Employee shall not at any time make copies of any documents or compilations containing some or all the Trade Secrets without Franchisor's express written permission.

4. Employee shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Franchisee and then only to the limited extent necessary to train or assist other employees of Franchisee in the management or operation of a Franchised Business using the System.

5. Any and all information, know-how, knowledge, techniques and materials made available by Franchisor or by Franchisee under the Franchise Agreement, including without limitation, specifications, guidelines, procedures, techniques, computer software, forms and compilations of data all of which shall be deemed confidential Trade Secrets for the purposes of this Agreement.

6. Employee shall surrender the Confidential Operations Manual and such other manuals and written materials as Franchisor shall have developed ("Manual") described in the Franchise Agreement and any other written material containing some or all of the Trade Secrets to the Franchisee or Franchisor upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which the Manual or other information or material may have been furnished to the Employee.

7. Employee shall not, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets and the System.

8. The Manual is loaned by Franchisor to Franchisee for limited purposes only and remains the property of Franchisor and may not be reproduced, in whole or in part, without the Franchisor's written consent.

### **Covenants Not to Compete:**

1. To protect the goodwill and unique qualities of the System and confidentiality and value of the Trade Secrets, and in consideration for the disclosure to Employee further undertakes and covenants that while he/she is employed by Franchisee, he/she will not:

a. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer or any Franchisor business to any competitor.

b. Own, maintain, engage in or have any interest in any business (other than the Franchised Business) which is the same as or similar to the Franchised Business including, but not limited to, any local moving business.

2. In further consideration for the disclosure to Employee of the Trade Secrets and to protect the uniqueness of the System, Employee agrees that for two (2) years following the earlier of the expiration, termination or transfer of all Franchisee's interest in the Franchise Agreement or the termination of his/her relationship with Franchisee, the Employee will not, without prior written consent of Franchisor:

a. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of any Franchisor business to any competitor.

b. Own, maintain, engage in or have any interest in any business which is the same or similar to the Franchised Business including, but not limited to, any local moving business which is located within fifteen (15) miles of the Franchised Business, or provides such services to customers within twenty-five (25) miles of the perimeter of any Protected Territory of any franchisee operating under the System.

3. Divulge any trade secrets or proprietary information of the Franchisor or Franchised Business.

### **Miscellaneous**

1. Franchisee undertakes to use his/her/its best efforts to ensure that Employee acts as required by this Agreement.

2. Employee agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor shall be entitled to enforce this Agreement and shall be entitled, in addition to any other remedies which are available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Employee agrees to pay all expenses (including court costs and reasonable attorney fees) incurred by Franchisor or the Franchisee in enforcing this Agreement.

4. Any failure by Franchisor or the Franchisee to object to or take action with respect

to any breach of this Agreement by Employee shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Employee.

5. **EXCEPT AS STATED BELOW, EMPLOYEE HEREBY IRREVOCABLY SUBMITS HIMSELF/HERSELF TO THE JURISDICTION OF THE STATE COURTS OF JEFFERSON COUNTY, ALABAMA AND THE FEDERAL DISTRICT COURT FOR THE NORTHERN DISTRICT OF ALABAMA. EMPLOYEE HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. EMPLOYEE HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM/HER IN ANY LEGAL PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY ALABAMA OR FEDERAL LAW. EMPLOYEE FURTHER AGREES THAT VENUE FOR ANY LEGAL OR EQUITABLE PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE JEFFERSON COUNTY, ALABAMA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION. WITH RESPECT TO ALL CLAIMS, CONTROVERSIES, DISPUTES OR ACTIONS, THIS AGREEMENT SHALL BE INTERPRETED AND CONSTRUCTED UNDER ALABAMA LAW.**

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

7. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

8. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested or first-class postage pre-paid to the respective parties.

**If directed to Franchisor, the notice shall be addressed to:**

Pink Zebra Moving, LLC  
505 20<sup>th</sup> Street North, Suite 1010  
Birmingham, Alabama 35203

**If directed to the Franchisee, the notice shall be addressed to:**

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**If directed to the Employee, the notice shall be addressed to:**

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Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by commercial airborne carrier service for next day delivery shall be deemed delivered 2 business days after being placed in the hands of the commercial airborne carrier service.. Any notices sent by certified or registered mail shall be deemed given three (3) business days after the time of mailing. Any change in the above addresses shall be effected by giving fifteen (15) days written notice of such change to the other party. Business day shall be defined as any day other than Saturday, Sunday or any recognized U.S. national holiday.

9. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its successors, assigns and transferees. The respective obligations of the Franchisee and the Employee hereunder may not be assigned by the Franchisee or Employee, as applicable, without the prior written consent of Franchisor.

[ Signatures on page that follows. ]

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by signatures below.

**FRANCHISOR:**

**Pink Zebra Moving, LLC**

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

Name: \_\_\_\_\_

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

**FRANCHISEE:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**By:**

\_\_\_\_\_

**Its:** \_\_\_\_\_

**EMPLOYEE:**

\_\_\_\_\_ (Legal Seal)

Signature

Name: \_\_\_\_\_

**EMPLOYEE:**

\_\_\_\_\_ (Legal Seal)

Signature

Name: \_\_\_\_\_

**EXHIBIT "N" TO THE DISCLOSURE DOCUMENT**

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**FORM OF  
FRANCHISEE QUESTIONNAIRE**

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**PINK ZEBRA MOVING, LLC**  
**FRANCHISEE QUESTIONNAIRE**

Prior to the final execution of a Franchise Agreement, this questionnaire must be completed in its entirety.

**1. Full Name of Franchisee:**

\_\_\_\_\_

**2. Pink Zebra Moving Office Location:**

\_\_\_\_\_

**3. ~~Franchisee is~~ Is Franchisee an Individual, Corporation, General Partnership, Limited Partnership, Limited Liability Company, Other? :- (check applicable box) Enter the entity type below; if other, please specify**

~~Individual       Corporation       General Partnership       Limited Partnership~~

~~Limited Liability Company       Other~~

\_\_\_\_\_  
\_\_\_\_\_

**4. If Franchisee is other than an individual, indicate the capacity in which the undersigned is authorized to act on behalf of the Franchisee: (check applicable box)**

Officer (insert title): \_\_\_\_\_

General Partner

Other (please explain): \_\_\_\_\_

**5. Did Franchisee receive a Franchise Disclosure Document?       Yes       No**

**6. On what date was the Franchise Disclosure Document received, and by whom?**

Date: \_\_\_\_\_ Recipient: \_\_\_\_\_

**7. Specific Claims and/or Representations by Franchisee.**

- **No oral, written, or visual claim or representation which contradicted the Franchise Disclosure Document was made to the Franchisee except:**

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(If none, the Franchisee shall write “none”.)

- **No oral, written, or visual claim or representation which contradicted the Franchise Disclosure Document was relied upon by the Franchisee in signing the Agreement except:**

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(If none, the Franchisee shall write “none”.)

- **No oral, written, or visual claim or representation which stated or suggested any sales, income or profit levels was made to the Franchisee except as stated in Item 19 of this Franchise Disclosure Document and if applicable, set out the claim or representation:**

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(If none, the Franchisee shall write “none”.)

- **No oral, written, or visual claim or representation which stated or suggested any sales, income or profit levels were made to Franchisee except for those in Item 19 of this Franchise Disclosure Document and none were relied upon by the Franchisee in signing the Agreement except:**

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(If none, the Franchisee shall write “none”.)

- **Franchisee acknowledges and agrees that he/she/it/they may not receive and are not entitled to receive any leads and/or jobs from the national account programs offered by Franchisor from time to time, and that if they do receive such leads or jobs: (a) those leads or jobs may not be distributed equally with other franchisees; (b) the model for distributing those leads will be designed in Franchisor’s sole discretion and may be modified from time to time; (c) national account customers may limit the number of participating franchisees in a market and direct work to specific franchisees; (d) leads and/or job volume varies greatly across the United States, and that some geographic regions have few or no leads/jobs.**

Franchisee acknowledges and agrees that the Franchised Business may be impacted by many risks, including those outside the Franchisee's or Franchisor's control such as economic, political or social disruption, including COVID-19 or any other pandemic. In addition, Franchisee acknowledges and agrees that the COVID-19 outbreak or any other pandemic or other out break and any preventative or protective actions that federal, state, and local governments may take in response to this pandemic or outbreak may result in a period of business disruption, reduced customer demand, and reduced operations for the Franchised Business, and that the extent to which the COVID-19 outbreak impacts the Franchised Business will depend on future developments, which are uncertain and which the Franchisor cannot predict.

\_\_\_\_\_ **FRANCHISEE**

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

\_\_\_\_\_ **Its:**

• \_\_\_\_\_ **Date:**

**EXHIBIT “O” TO THE DISCLOSURE DOCUMENT**

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**STATE SPECIFIC AND OTHER  
ADDENDA AND RIDERS**

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**ILLINOIS  
ADDENDUM TO  
PINK ZEBRA MOVING, LLC FRANCHISE AGREEMENT**

This addendum to the Franchise Agreement is agreed to by and between Pink Zebra Moving, LLC and the Franchisee identified below, to amend and revise said Franchise Agreement as follows:

Due to Franchisor's financial condition, the Illinois Attorney General's office has imposed a deferral of initial franchise fees until Franchisor has satisfied its preopening obligations to Franchisee and Franchisee has commenced doing business. Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

To the extent this Addendum shall be deemed to be inconsistent with any term or conditions of said Franchise Agreement or Exhibits or attachments thereto, the terms of the Illinois Franchise Disclosure Act as stated in this Addendum shall govern.

Illinois law governs the Franchise Agreement(s).

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 are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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, each of the undersigned hereby acknowledges having read this Rider, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_ day of \_\_\_\_\_, 20\_\_.

**FRANCHISOR**  
**PINK ZEBRA MOVING, LLC**  
An Alabama limited liability company

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

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

**FRANCHISEE**

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**ILLINOIS  
ADDENDUM TO  
PINK ZEBRA MOVING, LLC DISCLOSURE DOCUMENT**

Anything to the contrary in the Pink Zebra Moving, LLC disclosure document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois:

Item 5 of the Disclosure Document:

Due to Franchisor's financial condition, the Illinois Attorney General's office has imposed a deferral of initial franchise fees until Franchisor has satisfied its preopening obligations to Franchisee and Franchisee has commenced doing business. Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

Illinois law governs the Franchise Agreement(s).

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 are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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.

**MARYLAND  
ADDENDUM TO  
PINK ZEBRA MOVING, LLC FRANCHISE AGREEMENT**

This addendum to the Franchise Agreement is agreed to by and between Pink Zebra Moving, LLC and the Franchisee identified below, to amend and revise said Franchise Agreement as follows:

The Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

Any limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Any general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The acknowledgments or representations of the franchisee made in the franchise agreement and questionnaire which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

To the extent this Rider shall be deemed to be inconsistent with any term or conditions of said Franchise Agreement or Exhibits or attachments thereto, the terms and conditions as stated in this Rider shall govern.

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.).

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

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.

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.

Notwithstanding anything heretofore in the Franchise Agreement, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Rider, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_ day of \_\_\_\_\_, 20\_\_.

**FRANCHISOR**  
**PINK ZEBRA MOVING, LLC**  
An Alabama limited liability company

**FRANCHISEE**  
\_\_\_\_\_

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

\_\_\_\_\_  
(Signature)

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

\_\_\_\_\_  
(Print Name)

**MARYLAND  
ADDENDUM TO  
PINK ZEBRA MOVING, LLC DISCLOSURE DOCUMENT**

Anything to the contrary in the Pink Zebra Moving, LLC disclosure document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Maryland:

Item 17 is amended to state:

“Any general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

Item 17 is amended to add:

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

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.).

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

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.

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.

**STATE RIDER TO THE FRANCHISE AGREEMENT  
PINK ZEBRA MOVING, LLC  
PURSUANT TO  
THE MINNESOTA FRANCHISE AGREEMENT**

This Rider to the Franchise Agreement by and between Pink Zebra Moving, LLC and Franchisee is dated \_\_\_\_\_, 20\_\_.

1. The Franchise Agreement is amended by the inclusion of the following:  
The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
2. The Franchise Agreement is amended by the inclusion of the following:  
With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C, 14 Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.
3. The Franchise Agreement is supplemented by the inclusion of the following:  
Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the DISCLOSURE DOCUMENT or 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.
4. The Franchise Agreement is amended by the inclusion of the following:  
Under Minn. Rule 2860.4400J, a franchisee cannot waive any rights, the franchisee cannot consent to the franchisor obtaining injunctive relief, although the franchisor may seek injunctive relief and a franchisee cannot be required to consent to waiver of a jury trial. In addition, a court will determine if a bond is required.
5. The Franchise Agreement is amended by the inclusion of the following:  
Under Minn. Rule 2860.4400D, we are prohibited from requiring you to sign a general release.
6. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400(j) also, a court will determine if a bond is required.
7. Notwithstanding anything in the Franchise Agreement to the contrary, the limitations of any and all claims shall comply with Minn. Stat. 80C.17 Subd.5.
8. 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 with the franchise.
9. The Minnesota Department of Commerce Securities Section requires that the franchisor defer collection of all initial franchise fees and other initial payments owed by Minnesota

franchisees until the franchisor has completed its pre-opening obligations under the franchise agreement and franchisee is open for business.

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the Franchise Agreement shall remain in full force and effect per its terms.

**ADDENDUM TO  
PINK ZEBRA MOVING, LLC DISCLOSURE DOCUMENT  
AS REQUIRED BY THE STATE OF MINNESOTA**

Minnesota law provides franchisees with certain rights regarding termination and nonrenewal of their franchises. As in effect in November 1990, Minn. Stat. Ann. Sec. 80.C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of a franchise agreement.

The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Under Minn. Rule 2860.4400J, (1) a franchisee cannot waive any rights, (2) the franchisee cannot consent to the franchisor obtaining injunctive relief, although the franchisor may seek injunctive relief, and (3) a franchisee cannot be required to consent to waiver of a jury trial. In addition, a court will determine whether a bond is required.

Minn. Stat. §80C.21 and Minn. Rule 2860.440J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the DISCLOSURE DOCUMENT or 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 Minn. Rule 2860.4400D, we are prohibited from requiring you to sign a general release.

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 with the franchise.

The Minnesota Department of Commerce Securities Section requires that the franchisor defer the collection of all initial fees from Minnesota franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.

**ADDENDUM TO OFFERING PROSPECTUS  
FOR THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21<sup>ST</sup> FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WITH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or

national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

5. The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by you (franchisee)**”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “**Assignment of contract by us (franchisor)**”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

**VIRGINIA  
ADDENDUM TO  
PINK ZEBRA MOVING, LLC FRANCHISE AGREEMENT**

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Rider, understands and consents to be bound by all of its terms, and agrees it shall become effective the \_\_\_ day of \_\_\_\_\_, 20\_\_.

**FRANCHISOR**  
**PINK ZEBRA MOVING, LLC**  
An Alabama limited liability company

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

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

**FRANCHISEE**  
\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**VIRGINIA  
ADDENDUM TO  
PINK ZEBRA MOVING, LLC FRANCHISE DISCLOSURE DOCUMENT**

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No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Pink Zebra Moving, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

**WASHINGTON**  
**ADDENDUM TO FRANCHISE AGREEMENT AND RELATED AGREEMENTS**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Section 16.6 of the Franchise Agreement "Liquidated Damages" is deleted from the Washington Franchise Agreement.

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 post-termination geographical restrictions in the Franchise Agreement may not be enforceable in the State of Washington.

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business.

The collection of initial fees under the Multi-Territory Addendum will be pro-rated and collected as each franchise agreement Protected Territory opens for operation.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

**“FRANCHISEE”**

**“FRANCHISOR”**

**NAME OF ENTITY**

**PINK ZEBRA MOVING, LLC**

By:

By:

Title:

Title:

Date:

Date:

If individuals:

\_\_\_\_\_  
(Signature)

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Signature)

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name)

**ADDENDUM TO THE PINK ZEBRA MOVING, LLC  
DISCLOSURE DOCUMENT  
INCLUDING EXHIBITS H AND P TO THE DISCLOSURE DOCUMENT  
AS REQUIRED BY  
THE STATE OF WASHINGTON**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business.

The collection of initial fees under the Multi-Territory Addendum will be pro-rated and collected as each franchise agreement Protected Territory opens for operation.

**Use of Franchise Brokers.** The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

**EXHIBIT "P" TO THE DISCLOSURE DOCUMENT**

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**FORM OF RELEASE**

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**FORM OF RELEASE**

The following is our current general release form that we expect to include in a release that a franchisee and/or transferor may sign as part of a renewal, approved transfer or purchase by us of the assets of a franchisee’s Pink Zebra Moving Franchise. We may periodically modify the release.

**THIS RELEASE** is given by \_\_\_\_\_ and their predecessors, agents, affiliates, legal representatives, agents, successors, assigns, heirs, beneficiaries, executors and administrators (collectively, "we," "us" or "ours"), to PINK ZEBRA MOVING, LLC and all of its predecessors, affiliates, owners, officers, employees, legal representatives and agents, directors, successors and assigns, and their heirs, beneficiaries, executors and administrators (collectively, "you" or "your"). Effective on the date of this Release, we forever release and discharge you from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature or kind, in law or in equity, which we now have or ever had against you, including without limitation, anything arising out of that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the "**Franchise Agreement**"), the franchise relationship between the parties, and any other relationships between you and us; except your obligations under the \_\_\_\_\_ Agreement dated effective \_\_\_\_\_. This Release is effective for: (a) any and all claims and obligations, including those of which we are not now aware; and (b) all claims we have from anything which has happened up to now; provided, however, that all liabilities arising under Indiana Code Sec. 23-2-2.7, the Maryland Franchise Registration and Disclosure Law and/or the Minnesota Franchise Act are excluded from this release, and that all rights enjoyed by us under the Franchise Agreement and any causes of action arising in our favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this provision that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied. If we are domiciled or have our principal place of business in the State of California, then we hereby expressly waive and relinquish all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.".

We are bound by this Release. We freely and voluntarily give this Release to you for good and valuable consideration and we acknowledge its receipt and sufficiency.

We represent and warrant to you that we have not assigned or transferred to any other person any claim or right we had or now have relating to or against you.

In this Release, each pronoun includes the singular and plural as the context may require.

This Release is governed by Alabama law.

This Release is effective \_\_\_\_\_, 20\_\_, notwithstanding the actual date of signatures.

**IN WITNESS WHEREOF**, the undersigned execute this Release:

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

Name: \_\_\_\_\_

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

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

(STATE OF \_\_\_\_\_)

(COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, who is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Printed Name of Notary

My Commission Expires: \_\_\_\_\_

**EXHIBIT “Q” TO THE DISCLOSURE DOCUMENT**

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**RECEIPTS**

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## State Effective Dates

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

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

State	Effective Date
California	
Hawaii	
Illinois	<u>Pending04/28/23</u>
Indiana	<u>Pending05/01/23</u>
Maryland	<u>Pending10/17/23</u>
Michigan	06/27/23
Minnesota	<u>Pending07/26/23</u>
New York	<u>Pending08/15/23</u>
North Dakota	
Rhode Island	<u>Pending07/01/23</u>
South Dakota	10/24/23
Virginia	<u>Pending07/24/23</u>
Washington	<u>Pending08/14/23</u>
Wisconsin	<u>06/23/2404/27/23</u>

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.

**RECEIPT**  
**(Retain this copy for your records)**

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Pink Zebra Moving, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement for the payment of any consideration that relates to the franchise relationship.

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

If Pink Zebra Moving, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency in Exhibit “E”.

The franchisor is Pink Zebra Moving, LLC, located at 505 20th Street North, Suite 1010, Birmingham, AL 35203. Its telephone number is (205) 203-4881

Issuance Date: ~~April 30, 2024~~ ~~As Amended June 24, 2024~~ ~~April 24, 2023~~

The franchise seller for this offering is \_\_\_\_\_ whose principal business address is 505 20th Street North, Suite 1010, Birmingham, AL 35203 and telephone number is (205) 203-4881.

Pink Zebra Moving, LLC authorizes the respective state agencies identified in Exhibit “E” to receive service of process for it in their particular state.

I received a disclosure document dated ~~April 30, 2024~~ ~~April 24, 2023~~ ~~As Amended June 24, 2024~~ that included the following Exhibits:

- |           |   |
|-----------|---|
| Exhibit A | Financial Statements                                    |
| Exhibit B | List of Franchisees                                     |
| Exhibit C | List of Franchisees Who Have Left the System            |
| Exhibit D | Form of Confidential Operating Manual Table of Contents |
| Exhibit E | List of State Agencies/Agents for Service of Process    |
| Exhibit F | Form of Franchise Agreement                             |
| Exhibit G | Form of Preliminary Approval Agreement                  |
| Exhibit H | Form of Multi-Territory Addendum                        |
| Exhibit I | Form of Conditional Assignment and Assumption of Lease  |
| Exhibit J | Form of Principal Owner’s Guaranty                      |

- Exhibit K Form of Principal Owner's Statement
- Exhibit L Form of Confidentiality, Non-solicitation and Non-competition Agreement for Franchise Agreement
- Exhibit M Form of Key-Employee Manager Confidentiality Agreement
- Exhibit N Form of Franchisee Questionnaire
- Exhibit O State Specific and other Addenda and Riders
- Exhibit P Form of Release
- Exhibit Q Receipts

**Individual:**

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Prospective Franchisee Signature

\_\_\_\_\_  
Print Name

**OR**

**Legal Entity**

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

Name: \_\_\_\_\_

On behalf of the following entity:

Company Name: \_\_\_\_\_

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

\_\_\_\_\_  
Date Received

**RECEIPT**

**(Sign, Date, and return this copy to us)**

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**Individual:**

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Prospective Franchisee Signature

\_\_\_\_\_  
Print Name

**OR**

**Legal Entity**

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

Name: \_\_\_\_\_

On behalf of the following entity:

Company Name: \_\_\_\_\_

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

\_\_\_\_\_  
Date Received