



We give you your space.™

Introduction to Kwik Klost

WE'VE ALL WALKED INTO OUR CLOSETS AND SHUDDERED AT THE CLUTTER AND MESS, CAUSING US TO DREAM OF NEAT, ORGANIZED SPACES.

*K*wik Klost Makes Those Dreams a Reality!

Kwik Klost offers an innovative, custom and unique approach to closet organization.

As a provider of storage solutions, closets make up the majority of the business, but Kwik Klost also designs and builds solutions for Entertainment Centres, Home Offices, Garages, Laundry Rooms and Kitchen Pantries.

With a wealth of superior shelving components and high-quality space-saving items to maximize storage space, Kwik Klost transforms these areas into pleasant organized spaces in a remarkably short period of time, even on the same day!

Unlike most other closet companies, Kwik Klost uses customized closet design software that, in addition to making the design process faster, allows the customer to view the solution prior to installation. Seeing 3D views of the solution is not only a great sales tool, it eliminates any customer misunderstandings about what is to be installed.

To further differentiate ourselves in the expanding storage solutions industry, our customized trucks facilitate a unique Design & Install Same Day service, taking the customer from measure to pleasure without leaving the premises. This service can be invaluable to customers moving in to a new house, or customers with a "closet disaster" on their hands.

Tom Turnbull, President and Founder of Kwik Klost, has successfully launched Kwik Klost Dealerships throughout Ontario and Alberta and is now seeking qualified Dealers for exclusive territories throughout Canada.

Dealers will benefit from the opportunity to sell within their exclusive territory and also can benefit from our buying power and relationships with Canada's leading retailers, where applicable.

"We set out from the beginning to address two key failings in the storage solutions industry; Price, and Time. The system we've developed addresses both these concerns" states Turnbull. "Kwik Klost is an excellent opportunity for a sole proprietor, or a husband and wife team looking for an innovative opportunity to own a home-based business. The advantages of operating a business like Kwik Klost are numerous, particularly the low overhead of running a business from home, and the flexibility to make one's own schedule."

Expansion plans include selling-off the remaining corporate territories in Ontario and developing nation-wide with future plans to develop the United States.

There has never been a better time to get involved with Kwik Klost.

Contact Kwik Klost Franchising Inc. at 1.866.4.SPACEMAN and reserve your exclusive territory today!

Kwik Klost Franchising Inc.

607A Old Stouffville Road, Uxbridge, Ontario L9P 1R4

TEL: 905.852.2108 • FAX: 866.973.8510 • 1.866.4.SPACEMAN (1.866.477.2236) • www.kwikklost.com



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Welcome to Kwik KloseT

Dear Future Spaceman;

Thank you for your interest in the Kwik KloseT business opportunity. I'd like to extend my personal invitation to you to become a franchised dealer of our Complete Custom Storage Solutions System.

Imagine being your own boss and owning your own business! It's everyone's dream!

While successful business owners work many hours to ensure that their business prospers, almost every entrepreneur will tell you it's worth it - nothing provides greater satisfaction and enjoyment than owning your own business! Just think about the benefits you'll enjoy when you own your own Custom Storage solutions business, with Kwik KloseT's support and guidance.

- Be your own boss;
- Set your own hours - develop your business into a lucrative venture;
- Work from your home or an existing office facility;
- Enjoy the security and protection of an exclusive & protected territory;
- Benefit from Kwik KloseT's proven systems and successful track record;
- We're in this all the way with you! Your success is our success!
- We'll be with you every step of the way - from training through to your own installations.

Exclusive Territories will include corporately-generated customer inquiries from established Kwik KloseT marketing programs. We'll provide you with more details on this exciting aspect when we meet with you.

Our exciting relationship with two of the leading retailers in Canada provides you with greater potential for sales and earnings.

Once again, thank you for your interest in our program. We look forward to discussing this opportunity with you in the near future.

Please call Kwik KloseT Franchising Inc. at 1-866-4-SPACEMAN, once you have had an opportunity to review the enclosed materials or if you have any questions.

Yours truly,
KWIK KLOSET FRANCHISING INC.

A handwritten signature in black ink, appearing to read "Tom Turnbull".

Tom Turnbull
President

Kwik KloseT Franchising Inc.

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Retailer & Supplier Connections

KWIK KLOSET HAS SIGNED AND CONTINUES TO DEVELOP RELATIONSHIPS WITH PRODUCT SUPPLIERS, MARKETING PARTNERS AND MAJOR RETAILERS IN MULTIPLE MARKETS

Our various agreements provide the Kwik Klost Dealers with a one-stop shopping ability while benefitting from the buying power of the entire network. This applies to products, marketing media buys, and customer leads generated by retail partners.

Our Agreements with other major retailers leverage both the name and the marketing budget of our partners to generate customer leads for Kwik Klost Dealers. It also adds additional payment options for our customers, including financing and the retailer's own credit cards.

The centralized purchasing done for our Dealers provides a single source for all our Dealers product needs, at competitive prices and with a single distribution point.

Lastly, for lead generation in various markets Kwik Klost brokers larger media buys for our Dealers, passing the savings from the volume purchase onto the Dealers. This gives our Dealers a real competitive advantage over any local independent closet companies. The same advantages exist for other common expenses such as printing, gift card production, and other marketing materials.



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Initial Investment



Exclusive Area Dealer Fee Including Initial Training	\$40,000
Opening Inventory & Supplies	\$10,000
Computer System Including closet design software	\$ 3,000
Home Office Equipment Including Software	\$ 2,000
Installation Tools & Equipment	\$ 3,500
Truck Lease Deposit	\$ 2,000
Opening Advertising Program	\$ 2,000
TOTAL INITIAL INVESTMENT	\$62,500 *

*A working capital fund of \$7,500 is recommended for the first few months of operation.



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Dealership Application

The information provided in the attached application will be kept confidential. It will be used strictly for the purpose of assessing the degree of match between yourself and a Kwik Klost Dealership. Completion of this application does not obligate either yourself or Kwik Klost.

APPLICANT

PERSONAL

Name _____

Address _____

City _____ Province/State _____ Postal Code _____

Home Phone _____ Work Phone _____ Fax Number _____

Email _____ Social Insurance # _____

EDUCATION

High School _____ Year Graduated _____

College/University _____ Year Graduated _____

Post Graduate _____ Degree Granted _____

Technical Certification _____ Professional Designations _____

EMPLOYMENT

Current Occupation _____

Employer _____

Address _____

City _____ Province/State _____ Postal Code _____

Contact Name _____ Duration of Employment _____ Annual Salary _____

Phone _____ Email _____

LEADERSHIP

Please list your leadership experience in the last 5 years. Include organizations, awards, business associations, community organizations, etc. (Feel free to attach a separate sheet of paper if you require additional space).

BUSINESS INFORMATION

If awarded a Dealership, you view your involvement to be:

Full Time Operator Part Time Director with other interests

Spouse/Active Partner Absentee Operator (investment only)

Please list the territories you are most interested in (city/market): 1) _____

2) _____ 3) _____

What is your target date to start your business? _____

What level of investment do you anticipate for your business? _____

What is/are the source(s) of these funds (please specify)? _____



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PERSONAL

CO-APPLICANT/SPOUSE INFORMATION

Name _____

Address _____

City _____ Province/State _____ Postal Code _____

Home Phone _____ Work Phone _____ Fax Number _____

Email _____ Social Insurance # _____

GENERAL INFORMATION

GENERAL INFORMATION (Feel free to attach a separate sheet of paper if you require additional space)

How did you first become aware of the Kwik Kloset Dealership opportunity? _____

Have you looked at other franchises and businesses? If yes, please specify. _____

Have you ever owned your own business? If yes, please specify. _____

Have you ever declared bankruptcy or compromised a debt? If yes, please explain. _____

Will this business provide you with your sole source of income? If no, please explain. _____

Have you ever been treated for an addiction to narcotic drugs? _____

Have you ever been convicted of a criminal offence? If yes, please specify. _____

Are you currently bonded? If not, please indicate if you believe you can or cannot be bonded. If you cannot be bonded, please indicate the reason(s). _____

When will you be willing to travel to our corporate offices to examine a Kwik Kloset operation and discuss your future plans? _____

Will there be anyone else (spouse, family member, partner etc.) active in the Dealership? If yes, what position would they hold in the business? _____

REFERENCES

PERSONAL AND CREDIT REFERENCES

NAME 1 _____ Years Acquainted _____

Address _____ Phone _____

NAME 2 _____ Years Acquainted _____

Address _____ Phone _____

BANK _____ Years Acquainted _____

Address _____ Phone _____



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NET WORTH

PERSONAL FINANCIAL STATEMENT

ASSETS

Cash on hand and in the bank	\$ _____
Liquid securities and bonds	\$ _____
Real estate	\$ _____
Automobiles	\$ _____
Personal property	\$ _____
Cash value of insurance policies	\$ _____
Other assets	\$ _____
Total Assets	\$ _____

LIABILITIES

Bank loans	\$ _____
Loans/payables	\$ _____
Credit card balances	\$ _____
Unpaid income tax	\$ _____
Real estate mortgages payable	\$ _____
Other debts	\$ _____
Total Liabilities	\$ _____

QUALIFICATIONS & EXPERIENCE

Opening and operating a dealership can be an emotionally gratifying and a financially rewarding experience, but it may not be for everyone. It is important to ensure that you possess the right qualities and characteristics that will be necessary to open and grow a successful Kwik Kloset operation. To confirm that you have the skills and experience we're seeking in a Dealer, please review and complete the following (1 = poor, 5 = excellent):

DEALER QUALIFICATIONS

	1	2	3	4	5	N/A
Leadership and management abilities						
Sales						
Advertising and marketing						
Finance and bookkeeping						
Do-it-yourselfer						
Light Carpentry						
Personally involved						
Entrepreneurial						
Experience in running a successful business						
Team building and development						
Making tough decisions						
Willingness to follow a proven business model						



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DEALER QUALIFICATIONS CONT.

QUALIFICATIONS & EXPERIENCE

Please provide additional details or comments you may like to share with us during our review of your request for a Kwik Kloset Dealership (Feel free to attach a separate sheet of paper if you require additional space).

Multiple horizontal lines for text entry.

ACKNOWLEDGEMENT

PLEASE READ AND SIGN

I hereby acknowledge and agree that Kwik Kloset may use the information contained herein in such manner as it deems necessary to determine whether to grant me the right to purchase and operate a Kwik Kloset dealership.

I further acknowledge and agree that Kwik Kloset may use the information contained herein when compiling aggregate data on the Kwik Kloset Dealers and Applicants.

I understand that this application is for informational purposes only. It is not an offer to sell a Dealership.

I understand that this application is in no way binding on either party. I further understand that Kwik Kloset relies on the facts stated herein in assessing my qualifications to purchase and operate a Kwik Kloset Dealership.

The information I supply on this form and any financial information attached is true and correct and may be authenticated by a credit and or background investigation, which I hereby authorize.

Signature: _____ Date: _____

Print Name: _____

Complete and Mail or Fax to:

Kwik Kloset Franchising Inc.
607A Old Stouffville Road,
Uxbridge, Ontario, L9P 1R4
FAX: 866.973.8510
1.866.4.SPACEMAN



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Dealership Application & Deposit Agreement

Name of Applicant(s): _____

Residence: _____

City/Province: _____ Postal Code: _____

(hereinafter the "Applicant")

The Applicant hereby submits this Application to KWIK KLOSET FRANCHISING INC. (KKFI) for its consideration to grant to the Applicant a KWIK KLOSET DEALERSHIP ("Dealership"), subject to the following terms and conditions.

The Total Purchase Price of the Dealership is \$ _____ plus applicable taxes.

1. The Applicant hereby acknowledges that he/she did receive, at least 14 days prior to the date of this Application, a copy of the KKFI Disclosure Document together with a copy of the KKFI current Dealership Agreement and other information related thereto.
2. The Applicant herewith submits with this Application a payment of (\$ _____) payable to KWIK KLOSET FRANCHISING INC. (the "Deposit") and agrees that should Applicant be granted a KWIK KLOSET dealership, total Deposit shall be applied to the Dealership Fee defined in the KKFI Dealership Agreement applicable to Applicant's Dealership.
3. The Applicant hereby requests that its Dealership be located within the market area known as:

4. Within five (5) banking days following its receipt of the Deposit and this Application, KKFI shall determine, in its sole discretion, to either accept or reject this Application. Should KKFI reject this Application, then it shall forthwith return the Deposit to the Applicant in full without interest or deduction.
5. If KKFI accepts this application, the Applicant shall use its best efforts to a) secure funds necessary to complete the purchase of Dealership and b) secure working capital of not less than \$5,500 to fund the start-up costs of the Dealership including the insurance and other expenditures related to establishing and operating the Dealership and (c) shall deliver to KKFI, written confirmation that such funds are or will be available to the Applicant within next the 30 days ("Confirmation Letter").
6. Immediately following its receipt of the Confirmation Letter from the Applicant, KKFI shall then deliver to the Applicant two (2) originals of the current Dealership Agreement ("Dealership Agreement") applicable to Applicant's Dealership.

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7. The Applicant shall deliver to KKFI the two (2) originals of the Dealership Agreement each properly executed by Applicant with original initials and signatures, along with payment by way of certified cheque or bank draft for the full amount of the Dealership Fee specified in Dealership Agreement, plus Goods and Services Tax ("GST"), and all applicable Provincial Sales Tax ("PST"), less the Deposit.
8. Upon confirmation of the Initial Training dates, the Applicant shall deliver to KKFI payment in full for the balance of purchase price of the Dealership, including all taxes. Such payment must be made by way of certified cheque or bank draft.
9. Immediately upon execution of the Dealership Agreement by the Applicant and KKFI, this Agreement shall terminate and the Deposit shall be applied in full to the Dealership Fees specified in the Dealership Agreement. Prior to such time, KKFI or the Applicant may terminate this agreement at any time upon written notice delivered by one party to the other. In the event of termination of this Agreement by Applicant or KKFI for any reason, the Applicant shall forthwith return all confidential literature, documents and Agreements (and any copies thereof) provided to Applicant in regards to the Dealership.
10. If this Agreement is terminated by the Applicant for any reason, then KKFI shall, following its receipt of all related original Documents (and any copies thereof), return the Deposit to the Applicant.
11. The Applicant understands that KKFI is under no obligation whatsoever to grant a Dealership to the Applicant and that no agreement shall be deemed to have arisen between the Applicant and KKFI (except as provided for herein) by virtue of the Applicant executing this Agreement or submitting the Deposit. Such agreements between the parties hereto shall only arise upon execution of the Dealership Agreement or such other Agreements as may be executed between the Applicant and KKFI.

IN WITNESS WHEREOF the Applicant has executed this agreement by evidence of the signature(s) below.

APPLICANT:

Executed this _____ day of _____, _____ at _____.

Witnessed by:

Signature of Applicant

Signature of Co-Applicant

KWIK KLOSET FRANCHISING INC.

Executed this _____ day of _____, _____ at _____.

Witnessed by

Per: KWIK KLOSET FRANCHISING INC.



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