

FRANCHISE DISCLOSURE DOCUMENT

 The image contains two logos for College Hunks. The first logo is for 'College Hunks Hauling Junk' and the second is for 'College Hunks Moving'. Both logos feature a cartoon character in a green shirt and orange pants, holding a green trash can. The text 'COLLEGE HUNKS' is written in a green, stylized font above the character, and the service name is written in a larger, bold, green font below the character.	<p>CHHJ FRANCHISING L.L.C. a Delaware limited liability company 1513 East 9th Avenue Tampa, Florida 33605 Telephone: (800) 586-5872 www.collegehunkshaulingjunk.com franchise@1800junkusa.com www.Twitter.com/CollegeHunks www.Facebook.com/CollegeHunks www.Linkedin.com/in/CollegeHunksHaulingJunk</p>
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We are offering franchises for the operation of businesses operating under the College Hunks Hauling Junk® and College Hunks Moving® names which will provide junk removal services and/or moving services, including picking up unwanted items from residential or commercial clients and taking it to the appropriate landfill or transfer station for appropriate disposal or recycling. We offer standard franchises, “small market” franchises and conversion franchises.

The total investment necessary to begin operation of a College Hunks Hauling Junk® or College Hunks Moving® franchise is \$101,400 to \$207,950. This includes at least \$40,000 to \$50,000 that must be paid to us or our parent or affiliates.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive the Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 Nicholas Friedman at 1513 East 9th Avenue, Tampa, Florida 33605 and (800) 586-5872.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

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

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

Issuance Date: May 29, 2013

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit "A" for information about the franchisor, about other franchisors, or about franchising in your state.

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND ARBITRATION ONLY IN FLORIDA. OUT OF STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE AND ARBITRATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

STATE EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE
California	
Hawaii	
Illinois	
Indiana	August 8, 2012
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	August 30, 2012
Wisconsin	

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

1. Each of the following provisions 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, novation, waiver, or estoppel 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 settling any and all claims.

2. A provision that permits a franchisor to terminate a franchise before 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.

3. 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, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (I) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another 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 6 months advance notice of franchisor's intent not to renew the franchise.

4. 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.

5. 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 this state.

6. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(a) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(b) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

(d) 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.

7. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first 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).

8. 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise
G. Mennen Williams Building
525 West Ottawa, 7th Floor
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

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EXHIBITS:

- Exhibit A – State Administrators/Agents for Service of Process
- Exhibit B – State Specific Addendum
- Exhibit C – Franchise Agreement with Exhibits
- Exhibit D – List of Franchisees
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- Exhibit F – Table of Contents of Operations Manual

Exhibit G – Financial Statements
Exhibit H – Franchisee Disclosure Acknowledgment Statement
Exhibit I – Deposit Agreement

RECEIPT

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

The Franchisor

The Franchisor is CHHJ Franchising L.L.C. (“**we**,” “**our**” or “**us**”), a Delaware limited liability company that was formed on October 20, 2006 and has its principal place of business at 1513 East 9th Avenue, Tampa, Florida 33605. We do business under our corporate name and under the trade marks College Hunks Hauling Junk® and College Hunks Moving®. We will refer to the person who buys a franchise as “**you**” or “**your**” throughout this Disclosure Document. If you are a business entity, “**you**” or “**your**” also includes each partner, shareholder and/or other owner of that entity.

We are offering franchises for the operation of businesses operating under the Marks which provide junk removal services and/or moving services, including picking up unwanted items from residential or commercial clients and taking it to the appropriate landfill or transfer station for appropriate disposal or recycling. We presently do not operate a business of the type being franchised or any other type of business. We have never offered franchises in any other line of business. We began offering franchises in mid-2007. Our agents for service of process are listed in Exhibit “A.”

Our Parents, Predecessors and Affiliates

We have no predecessors.

Our parent is Friedman and Soliman Enterprises, LLC (“**F&S**”), a Maryland limited liability company, that was formed on March 25, 2005 and is located at 1513 East 9th Avenue, Tampa, Florida 33605. F&S owns the Marks and has licensed to us (see Item 13). F&S has never offered franchises in this or any other line of business. F&S does not operate a business of the type to be operated by you. F&S will not provide you with any products or services, nor will it guaranty our performance.

Our first affiliate is CHHJ, LLC (“**CHHJ**”), a Maryland limited liability company, that is headquartered at 4980 East Wyaconda Road, Rockville, Maryland 20852. CHHJ has never offered franchises in this or any other line of business. CHHJ currently operates a business of the type being franchised which has been in operation since 2005 and which provides services in Washington DC, Maryland and Virginia (a total of nine Zones).

Our second affiliate is CFPB LLC (“**CFPB**”), a Maryland limited liability company, headquartered at 1513 East 9th Avenue, Tampa, Florida 33605. CFPB owns a majority interest in a Franchised Business in Tampa, Florida, which is still operated with a minority owner franchisee. Between 2010 and 2011, CFPB owned and operated one business of the type being franchised in North Carolina. This territory was reacquired from a franchisee in 2010 and subsequently sold to a franchisee in November 2011. CFPB has never offered franchises in this or any other line of business.

The System

Our system includes a method of providing junk removal services and/or moving services for residential or commercial clients; color scheme and custom lettered vehicles; materials and supplies; using the designated Call Center; proprietary software; methods, specifications and procedures for operations; procedures for management control; training and assistance; and merchandising, advertising and promotional programs, and client service procedures, all of which may be changed, improved and further developed (the “**System**”). Our Call Center is a centralized office that will receive orders for

service from clients via telephone, e-mail and fax. The Call Center will then forwards the request for service to the appropriate franchisee. The Call Center will schedule appointments, maintain a comprehensive client database, and may conduct follow-up calls with all clients to verify the client's satisfaction with the service, and provide you with detailed reports so that you may more effectively manage your Franchised Business.

We may add additional products and services to the System, such as roll-off containers. We may designate that these additional products and services are optional for our franchisees, or we may designate them as mandatory.

We currently offer College Hunks Moving® services in select markets, which is part of the College Hunks Hauling Junk® Franchised Business. The College Hunks Moving® services may also include packing boxes for customers as well as sales of boxes and packing materials. If you will provide College Hunks Moving® services, you will need to have additional equipment, training, insurance and a different type of vehicle. Currently providing College Hunks Moving® services is optional for our franchisees, but we reserve the right to require all franchisees to provide College Hunks Moving® services in the future. We also reserve the right to split the College Hunks Moving® services portion of the Franchised Business into a separate franchise opportunity in the future.

If you are an existing franchisee of ours as of December 31, 2010, your territorial rights under your existing Franchise Agreement includes the right to offer College Hunks Moving® services. If you choose to offer College Hunks Moving® services, we reserve the right to require you to sign an addendum to your Franchise Agreement to memorialize this and to add College Hunks Moving® services as part of the approved products and services you may offer. If you choose to opt-out or not offer College Hunks Moving® services, we may offer it to another franchisees in your Designated Territory (see Item 12). In addition, if you are a new franchisee and you wish to purchase either the College Hunks Hauling Junk® or the College Hunks Moving® concept (but not both), then we will have the right to sell the other concept to another franchisee within your Designated Territory. If you are in good standing under your Franchise Agreement, we will notify you of the proposed sale of the other concept and you will have 10 days after our notice to purchase the other concept. If you do not, then we may sell the concept to the other franchisee. If you are not in good standing under your Franchise Agreement, you will not be offered the opportunity to purchase the other concept.

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including the marks "College Hunks Hauling Junk®," "College Hunks Moving®," "The Junk Hunk®" (our company mascot), "Let Tomorrow's Leaders Haul Your Junk Today!®," "Have a Junk-Free Day!®," and "Junk Free is the Way to Be!®," (collectively, the "**Marks**"). Our Parent owns the Marks, the toll-free number 1-800-Junk-USA® and the websites www.1800junkusa.com, www.collegehunks.com and www.collegehunkshaulingjunk.com (collectively, the "**Proprietary Marks**"). Our Parent has licensed the Proprietary Marks to us so that we may license them to our franchisees. Our Parent reserves the right to operate businesses and to license others to operate businesses using the 1-800-Junk-USA® trademark, telephone number and website anywhere, including within your Designated Territory.

The Franchise Offered

You will have the opportunity to purchase a Junk Removal Services Franchise, a Moving Services Franchise, or both depending on your financial ability and your professional experience. These are two separate but similar business models that must be budgeted for properly and treated as two

separate businesses although there are some shared resources, vendors, and expenses that can be enjoyed between the two as economies of scale.

We grant College Hunks Hauling Junk® and/or College Hunks Moving® franchises to qualified candidates for the right to develop and operate a Franchise for an area that we mutually agree on, that provides junk removal and/or moving services, including picking up unwanted items from residential or commercial clients and taking it to the appropriate landfill or transfer station for appropriate disposal or recycling, plus other related services (“**Franchised Business**”). You must sign our Franchise Agreement (the “**Franchise Agreement**”) in the form attached as Exhibit “C” to this Disclosure Document. The Franchise Agreements grants you the right to develop and operate a single Franchised Business at an approved location.

We also offer a “small market” franchise for Zones that have between 5,000 and 299,999 in population and a conversion franchise for business operators in a similar business (junk removal and/or moving services) who wish to convert their businesses to our System.

Market and Competition

You will offer your services to residential and commercial customers. In general, the junk and moving business is competitive, but quite fragmented. Your competition will come primarily from other junk removal and/or moving businesses, which may include moving companies. In some markets, these businesses are locally based and other markets may include regional or national chains as competitors.

Industry Specific Laws

Moving companies and hauling companies are regulated by federal and state law. Most states have transportation agencies that oversee the state’s laws. State law can vary significantly from one state to the next. Furthermore, the requirements and timing to acquire state and local licenses and permits vary considerably. The US Department of Transportation’s Federal Motor Carrier Safety Administration administers federal laws relating to this industry. There may also be restrictions on licensing related to your drivers and your trucks, and you may have to obtain special permits related to junk hauling and dumping.

You must comply with all applicable laws related to junk removal and disposal or providing moving services. If you provide moving services, you may have to apply for and receive specific authority to conduct moves across state lines.

There may be other laws and regulations applicable to the operation of the Franchised Business within a particular state and we urge you to ask about the described laws, regulations and any other laws or regulations that can impact your operation of a College Hunks Hauling Junk® and/or College Hunks Moving® Franchised Business within the specific areas licensed to you.

ITEM 2 BUSINESS EXPERIENCE

Founder and CEO: Omar A. Soliman

Mr. Soliman has been our Founder and CEO since inception, and he holds the same positions with our affiliates. Mr. Soliman pioneered the College Hunks Hauling Junk® concept while an

undergraduate student and won the Leigh Rothschild Enterprise Competition in 2004. In January 2005, Mr. Soliman opened the first College Hunks Hauling Junk® outlet.

President: Nick Friedman

Mr. Friedman has been our President since inception, and he holds the same positions with our affiliates. Mr. Friedman joined Mr. Soliman in January 2005 in opening the first College Hunks Hauling Junk® outlet.

Director of Franchise Support: Steven Nickels

Mr. Nickels has been our Director of Franchise Support since May 2008. Since August 2011, Mr. Nickels has also owned and operated a College Hunks Hauling Junk® and College Hunks Moving® franchise in Long Island, New York. From September 2006 to April 2008, he was Vice President of Operations for Elite Sports Marketing located in Oldsmar, Florida.

Director of Client Loyalty Center: Tim Heidemann

Mr. Heidemann joined us on January 2013 as Director of Client Loyalty Center. From 2009 to 2013 he was a Director with IVANS Inc. in Tampa, Florida. From 2004 to 2009, he was Executive Director Call Center Operations with PODS Inc. in Clearwater, Florida.

Marketing Director: Chris Jackson

Mr. Jackson has been our Director of Marketing since January 2011. He has worked at College Hunks Hauling Junk since Spring 2008 when he started as a wingman on the truck. He grew to a Truck Captain, Operations Manager, General Manager, Field Operations Coach, and is now the Marketing Director.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

Franchise Agreement

When you sign the Franchise Agreement for either a College Hunks Hauling Junk® franchise or a College Hunks Moving® franchise, you must pay to us an initial franchise fee of \$40,000 for a standard Zone. A standard Zone includes a range of anywhere from 300,000 to 400,000 in population. The initial franchise fee is \$50,000 if you choose to offer both junk removal services and moving services in a standard Zone and you purchase both of these businesses at the same time. The initial franchise fee includes the initial license fee for the proprietary software you must use. The initial franchise fee is not

imposed uniformly on all franchisees. The initial franchise fee is payable in a lump sum when you sign the Franchise Agreement and is fully earned and non-refundable. If you are a qualified U.S. veteran, we will discount the initial franchise fee by \$5,000. The qualified U.S. veteran must have at least a 51% interest in the Franchised Business at all times. As described below and in Item 10, we may offer financing to qualified franchisees of up to 70% of the initial franchise fees.

If you choose to purchase either a College Hunks Hauling Junk® franchise or a College Hunks Moving® franchise without purchasing the other one, then there is no restriction on our selling the other franchise concept within your Designated Territory. If you are in good standing under your Franchise Agreement, we will notify you of the proposed sale of the other concept and you will have 10 days after our notice to purchase the other concept. If you do not, then we may sell the concept to the other franchisee. If you are not in good standing under your Franchise Agreement, you will not be offered the opportunity to purchase the other concept.

During the term of your Franchise Agreement, and if you have chosen to purchase only one of the business concepts we offer, you may purchase the other business concept for an additional fee of \$20,000. You must meet our criteria for purchasing the additional concept, including being in good standing under your Franchise Agreement, you complete the applicable training and you have the financial capability to purchase or lease the additional truck(s) and equipment required. This additional fee is payable when we approve you to purchase the additional concept and is not refundable.

If you are financially qualified, you may also purchase additional standard Zones that are contiguous with your Designated Territory or to another Zone you have purchased. You will be required to operate at least 1 office per 4 Zones that you own, and you will be required to sign a separate Franchise Agreement for each office. You will be required to reach a minimum of \$20,000 revenue per month per owned Zone, and you will be expected to have at least \$40,000 in available capital or financing before you will be permitted to purchase an additional Zone. If you purchase one or more additional Zones at the same time you purchase your franchise, you must pay us \$18,000 for each additional Zone you purchase. If you purchase one or more additional Zones while you are operating the Franchised Business, you must pay us \$22,000 or our then-current additional Zone fee, whichever is higher, for each additional Zone you purchase. We want our Franchisees to focus on going deeper versus wider and want to discourage purchasing Zones for the purpose of “land-grabbing.”

You may also choose to purchase a fraction of a Zone, either initially or during the term of your Franchise Agreement. The cost of a fractional Zone is \$10,000 for each additional 100,000 in population.

All Zones you own will be listed on an exhibit to your Franchise Agreement, and this exhibit will be amended whenever a new Zone is purchased. We do not currently limit the number of Zones you may purchase, but your total number of Zones will depend on your ability to capitalize your Franchised Business and your ability to maintain the negotiated truck roll-out schedule (see Item 12). We cannot guarantee that a Zone you wish to purchase after your Franchised Business begins operations will be available. We will not reserve a Zone for future purchase. You must meet performance requirements and office requirements before you will be permitted to purchase an additional Zone.

If you are acquiring an additional Zone (or fraction of a Zone) after your Franchised Business has started operations, you must meet certain criteria including financial ability, performance standards of your current Zone(s) and your compliance under the Franchise Agreement.

“Small Market” Franchise Agreement

We also offer a “small market” franchise for Zones that have between 5,000 and 299,999 in population. A small market franchisee must offer both junk removal and moving services. If you are purchasing a small market franchise, the initial franchise fee will be calculated as 10¢ per person in the Zone you are purchasing. For example, if your small market Zone has a population of 90,000 people, the initial franchise fee you will pay will be \$9,000. The initial franchise fee is fully earned and non-refundable. The initial franchise fee includes the initial license fee for the proprietary software you must use. The initial franchise fee is not imposed uniformly on all franchisees. We reserve the right to require you to purchase additional households for your small market franchise if we determine that the number of households is not enough to sustain a reasonable volume of business. In addition, you may choose to purchase additional areas (designated by zip code) if these areas are available. You will pay the same rate of 10¢ per additional person in the area you purchase.

Conversion Franchise

We also offer a conversion franchise for business operators in a similar business (junk removal and/or moving services) who wish to convert their businesses to our System. If you are purchasing a conversion franchise, you will pay us an initial franchise fee that is equal to our then-current initial franchise fee reduced by an amount equal to 10% of the total sales for the previous year for your existing business, but in no event will the discount exceed \$30,000. For example, if the initial franchise fee is \$45,000 and your moving business generated \$200,000 in revenue during the previous year, the initial franchise fee will be reduced by \$20,000, making your initial franchise fee \$25,000. The initial franchise fee is fully earned and non-refundable. The initial franchise fee includes the initial license fee for the proprietary software you must use. The initial franchise fee is not imposed uniformly on all franchisees.

Affiliate or Company-Owned Zones

Our affiliates may, in their discretion, offer to sell Zones they currently operate to new or prospective franchisees. If this happens, the purchase price will be the initial franchise fee (\$40,000 or \$50,000 for a new franchisee in the System or \$22,000 for an existing franchisee who is purchasing an additional Zone) plus 1 time the annual gross sales of the Zone being purchased over the last 12 months. For example, if the sales in an affiliate or company-owned Zone is \$50,000 for the previous year, then the franchise fee would be the \$50,000 plus \$50,000. If less than a 12 month operating history is available, the gross sales to date will be converted to an annualized amount to determine the purchase price.

There are no other payments to or purchases from us or any affiliate that you must make before your Franchised Business opens.

We reserve the right, in our discretion, to offer qualified franchisees to finance up to 70% of the initial franchise fee with us. Additional information about this financing is provided in Item 10.

Performance Refund

If you own at least one full Zone and fail to reach \$180,000 in revenues during your first 18 months of operations, and you have followed the systems with no material defaults, you may exit the business and we will refund 50% of your initial franchise fee for your 1st Zone (i.e. \$17,500 if you purchased moving or junk removal, or \$22,500 if you purchased both services). You must submit a request in writing at 18 months if you wish to exercise this exit/refund option. We will review your request and notify you within 30 days of your request. If we approve, then you must sign a mutual

termination and release of us at that time We will refund the 50% of Franchise Fee within 90 days of acceptance of your request and after we have received the signed mutual termination and release and you have fulfilled your post-term obligations under the Franchise Agreement. You must be in full compliance with your franchise agreement, and you must have followed the system entirely in order to qualify for this refund.

Performance Incentive

If you own at least one full Zone and reach \$600,000 in revenues during your first 18 months of operations, and you have followed the systems with no material defaults, we will pay you a marketing incentive of \$8,000. You must submit a request in writing at 18 months if you wish to exercise this incentive. We will review your request and notify you within 30 days of your request. If approved, we will credit your royalty payments by \$8,000 within 90 days of acceptance of your request. You must be in full compliance with your franchise agreement, and you must have followed the system entirely in order to qualify for this incentive credit.

Deposit Agreement

We reserve the right to require you to pay a deposit to us in an amount that is equal to 30% of your initial franchise fee. You must also sign our form of Deposit Agreement, which is attached to this Disclosure Document as Exhibit “I.” The deposit you pay to us under the Deposit Agreement is not refundable, but will be applied toward the initial fee you must pay to us for the franchise you purchase.

**ITEM 6
OTHER FEES**

Type of Fee (1)	Amount	Date Due	Remarks
Continuing Royalty Fee – Junk Removal Services	7% of Gross Sales(2) or minimum Continuing Royalty Fee(3), whichever is higher	Payable on the 3 rd and 18 th days of each month by electronic funds transfer	There will be no minimum Continuing Royalty Fee for the first 6 months unless the franchise results from a transfer or renewal. See Note 3
Continuing Royalty Fee – Moving Services	7% of Gross Sales(2) or minimum Continuing Royalty Fee(3), whichever is higher	Payable on the 3 rd and 18 th days of each month by electronic funds transfer	There will be no minimum Continuing Royalty Fee for the first 6 months unless the franchise results from a transfer or renewal. See Note 3

Type of Fee (1)	Amount	Date Due	Remarks
Call Center Support (the “CLC”) Fee (the “CLC Fee”) (3)	<p>\$727 per month for junk-only franchises which includes software, service and support/</p> <p>\$857 per month for moving only or junk and moving franchises which includes software, service and support.</p>	Payable at the same time and in the same manner as the Continuing Royalty Fee	<p>This fee compensates us for administering the CLC and software license support and maintenance genres, including for our intranet. We reserve right to adjust every year to reflect consumer price index changes.</p> <p>There is no CLC Fee for the first 6 months unless the franchise results from a transfer or renewal.</p>
Appointment Fee	\$17 per scheduled appointment by the CLC	Payable at the same time and in the same manner as the Continuing Royalty	<p>You will not be required to pay this fee for self-generated sales, self-booked sales, online bookings or jobs that cancel prior to the day of the scheduled appointment. Per Booking per Appointment is defined as a booked move, booked junk removal estimate, booked in-home estimate, booked junk removal consultation. We reserve right to adjust every year to reflect consumer price index changes.</p>
Brand Development Fee(3)	1% of Gross Sales(2)	Payable at the same time and in the same manner as the Continuing Royalty Fee	The Brand Development Fund is described in Item 11

Type of Fee (1)	Amount	Date Due	Remarks
Local Advertising	\$1,000 per brand per month. The minimum required amount you must spend does not include marketing collateral and supplies	To be spent each month	Payable to local advertising suppliers. We may require our franchisees to form regional advertising cooperatives in their local markets (see footnote 5). We must approve all local advertising before its use. We reserve the right to require you to pay this money to us and we will conduct local advertising on your behalf
Transfer (Franchise Agreement)	\$10,000	Upon transfer	No fee is imposed for transfers to an entity formed by you for the convenience of ownership. Fees are paid by either you or the buyer and will apply to each Franchise Agreement that is transferred or assigned to an approved third party
Renewal	\$2,500	At time of renewal	At time of renewal
Non-Compliance Fee	Infraction fee between \$100 and \$250 per infraction.	As incurred after 3rd written warning with failure to cure	This fee will be charged for Non-Compliance with the System Standards as outlined in the Operations Manual, including truck maintenance, appearance and safety, and failure to comply with call center requirements (including time to contact customers, missed appointments, etc.). 3 written warnings will be issued prior to charging this fee. If there are 6 or more infractions in any 12 month period, we may terminate your Franchise Agreement.

Type of Fee (1)	Amount	Date Due	Remarks
Initial Training and Additional Personnel Training	No fee for the first two people who attend training, except for your travel, meals, lodging and wages. A per person fee will be determined by us for Additional Personnel Training and depends on the instructor's fee, travel, lodging, food and materials associated with the training topic	Pre-payment and pre-registration is required 15 days before class for Additional Personnel Training	We do not charge any additional money for the initial training for your two people (see Item 11). Additional training is provided, if necessary, for you, your managers or your employees at a fee per person
Refresher Training Program/ Continuing Education	Out of pocket expenses only, which will depend on the location of the program and the level of experience of our representative	As incurred	We have the option of providing this annual refresher training program, which can last up to five days, but can be on-line or in class, as determined by us.
Enrichment Training	Will vary under the circumstances May include payment of our per diem fee for a trainer we send to your Franchised Business plus reimbursement of our trainer's expenses. Current per diem fee = \$200	On demand	Enrichment training is described in Item 11. You must pay all expenses you incur related to enrichment training if we require you to participate because your Franchised Business is not performing satisfactorily
Late Reporting Fee	\$5.00 per hour	On demand after 3rd written warning with failure to cure an infraction.	For any reports that are not provided to us when they are due
Interest on Overdue Amounts	20% per annum	On demand	Any amounts not paid when due will be a default of your Franchise Agreement and will accrue interest. Interest will accrue from the original due date until payment is received in full

Type of Fee (1)	Amount	Date Due	Remarks
Audit	(a) the amount of the deficiency; (b) if audit is due to non-reporting or understatement, then you must also pay the cost of inspection	15 days after billing	If an audit reveals understatement of less than 2%, you pay the deficiency plus interest. If an audit reveals understatement of greater than 2% or if you fail to furnish information in a timely fashion, you pay the deficiency or \$500, whichever is greater, plus the cost of the audit. If a deficiency occurs twice in any 12 month period, we have the right to terminate the Franchise Agreement without opportunity for you to cure the default.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable upon your failure to comply with the Franchise Agreement
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your Franchised Business' operations
Annual Franchisee Convention (if held)	\$500 per person, excluding cost of transportation and lodging	As incurred	At least one person per franchise must attend this Annual Convention, which will last up to three days
Missed Convention Fee	\$500	On demand	If you do not attend the Annual Convention and your absence is not excused by us
Liquidated Damages	Your Average monthly royalties during 12 months prior to termination times the greater of (a) 24 or (b) the number of months remaining in the term at the time of termination.	15 days after termination	This only applies if we terminate your franchise for cause.

Type of Fee (1)	Amount	Date Due	Remarks
Supplier Testing	Our costs to evaluate the proposed supplier	On demand	If you request that we approve a supplier or product, you must reimburse us for our costs in evaluating the supplier or product.
Service Vehicle Replacement	As incurred	As negotiated	We may require you to replace your service vehicle if an existing vehicle is no longer in good condition (including paint and graphics and working condition). We will not make this request more frequently than every seven years. Payable to vehicle suppliers and/or finance companies
Insurance	Reimbursement of our costs	On demand	If you do not obtain the required insurance, we may (but are not required to) obtain insurance on your behalf
Management Fee	\$3,000 per month plus expenses	As incurred	If we have to step in and operate your Franchised Business for you, in certain circumstances due to your failure to operate in accordance with our standards, you must pay our management fee and reimburse our expenses
Additional Principal	\$250	If incurred	If you request that we modify the Franchise Agreement to include an additional person as either a franchisee or a franchisee's principal
Uniform or Appearance Violation	\$250 per person, per occurrence	On demand after 3rd written warning with failure to cure an infraction.	If any of you or your employees perform services for you but do not wear the required uniform or present a neat and clean appearance.
Violation of Non-Competition Covenant	\$10,000	On demand	If you violate any of the non-competition covenants

Type of Fee (1)	Amount	Date Due	Remarks
Mystery Shopper Program	\$200 per shop	As incurred after 3rd written warning with failure to cure an infraction.	Only payable by you if your Franchised Business has received a significant amount of negative feedback. This is in addition to enrichment training.
Out of Territory Fee	Additional 10% of revenue outside of Territory	As incurred	If you perform services outside of your Zone after we inform you to stop.

1. Unless otherwise noted in the chart, all fees are imposed by and payable to us and are non-refundable.

2. Gross Sales means and includes the actual gross revenues billed to clients of a franchisee in connection with the services sold and performed for such clients, whether for cash or credit, plus any other revenues derived from the operation of the Franchised Business by a franchisee, but excluding federal, state or municipal sales, use, service or excise taxes collected from clients and paid to the appropriate taxing authorities, and client refunds. Gross Sales does not currently include revenues from re-sale items, but we reserve the right, in our discretion, to include in the definition of Gross Sales any revenue a franchisee receives from recycling and scrap, consignments, re-sales of items, etc. If we elect to include these types of revenue in Gross Sales, we will provide the franchisee with systems and training regarding the re-sale of such items.

3. (a) **Minimum Continuing Royalty Fee**

(i) **If providing Junk Removal Services Only:** There is no minimum Continuing Royalty Fee for the first 6 months unless this Agreement results from a transfer or renewal. From months 7-12, the minimum Continuing Royalty Fee each reporting period is \$150. If Franchisee owns more than one Zone, then in months 13-24, the minimum Continuing Royalty Fee each reporting period increases to \$300. If Franchisee owns more than two Zones, then in months 25-36 the minimum Continuing Royalty Fee each reporting period increases to \$450. If Franchisee owns more than three Zones, then in months 37-48 the minimum Continuing Royalty Fee each reporting period increases to \$600. If Franchisee owns more than four Zones, then in months 49-60 the minimum Continuing Royalty Fee each reporting period increases to \$750. This trend continues each year based on the number of Zones owned by Franchisee.

(ii) **If Providing Moving Services:** There is no minimum Continuing Royalty Fee for the first 6 months unless this Agreement results from a transfer or renewal. From months 1-12, the minimum Continuing Royalty Fee each reporting period is \$700. If Franchisee owns more than one Zone, then in months 13-24, the minimum Continuing Royalty Fee each reporting period increases to \$1,400. If Franchisee owns more than two Zones, then in months 25-36 the minimum Continuing Royalty Fee each reporting period increases to \$2,100. If Franchisee owns more than three Zones, then in months 37-48 the minimum Continuing Royalty Fee each reporting period increases to \$2,800. If Franchisee owns more

than four Zones, then in months 49-60 the minimum Continuing Royalty Fee each reporting period increases to \$3,500. This trend continues each year based on the number of Zones owned by Franchisee.

- (iii) **If Providing both Moving Services and Junk Removal Services:** Then the minimum Continuing Royalty Fee is the same as if you are providing moving services only (if you are providing both services, then the minimum for junk removal services does not apply),

The Royalty is the brand licensing fee and ongoing professional consulting fee for being part of this growing national brand. The Brand Development Fee is for brand development and maintenance such as PR, Website, and marketing staff. The CLC Fee covers technology (Hunkware & Movepoint) client surveys, software, communication automation, live chat, customer service response and follow up, helpdesk, management, etc. The Appointment Fee is the sales funnel for your business.

4. If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher. Liquidated damages only applies if we terminate your Franchise Agreement due to your willful non-compliance with the terms of and your obligations under the Franchise Agreement, your failure to cure a material default within the timeframe required, and repeated, willful defaults of the Franchise Agreement.

5. There currently are no advertising cooperatives. If an advertising cooperative is formed by us for your area, or formed by franchisees and approved by us for your area, you must join the cooperative. Each Franchised Business in the cooperative will have one vote, regardless of the number of Zones owned by the Franchised Business. Contributions to the cooperative will be determined by majority vote of the cooperative members. If the members vote to have contributions be a percentage of Gross Sales, then the percentage to be contributed shall not be greater than one-half of the local advertising requirement. If the members vote to have contributions on a fixed fee basis, then each member must contribute the fixed fee for each Zone owned by that member, and the fixed fee cannot exceed one-half of the local advertising requirement, unless agreed to by unanimous vote of the cooperative members. We must approve of the contribution methods and amounts after the cooperative members have determined them.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure (3)	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made(1)
Initial Franchise Fee (Notes 2 and 3)	\$40,000 to \$50,000	Lump sum	When you sign the Franchise Agreement	Us

Type of Expenditure (3)	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made(1)
Rent – 3 Months (Note 4)	\$300 to \$2,250	As arranged	As arranged	Landlord
Lease, Utility and Security Deposits (Note 4)	\$100 to \$700	As arranged	As arranged	Landlord, Utility Companies
Paint and Signage (Vehicle) (Note 5)	\$3,500 to \$5,500	As arranged	As incurred	Approved Suppliers
Service Vehicle – Deposit on Lease or Finance (Note 6)	\$8,000 to \$22,000	As arranged	As incurred	Approved Suppliers
Equipment and Hand Tools (Note 7)	\$2,000 to \$6,000	As arranged	As arranged	Approved Suppliers
Office Equipment and Supplies (Note 8)	\$4,000 to \$6,000	As arranged	As incurred	Suppliers
Business Licenses & Permits (Note 9)	\$500 to \$3,000	As arranged	As incurred	Local and other state government agencies
Professional Fees (Note 10)	\$1,000 to \$2,500	As arranged	As arranged	Various service providers and contractors
Insurance Deposit (Note 11)	\$500 to \$5,000	As arranged	As arranged	Insurance providers
Training Expenses (Note 12)	\$1,500 to \$5,000	As arranged	Payment terms arranged with suppliers and your employees	Suppliers and your employees
Grand Opening Advertising (Note 13)	\$10,000 to \$20,000	As arranged	As arranged	Suppliers
Additional Funds (6 months) (Note 14)	\$30,000 to \$80,000	As arranged	As needed	Us, suppliers, employees and other creditors

Type of Expenditure (3)	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made(1)
TOTAL ESTIMATED INITIAL INVESTMENT	\$101,400 to \$207,950			

1. In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We may offer to finance up to 70% of your initial franchise fee, as described in Item 10. Our estimate assumes that you are purchasing one Zone only. When you open multiple Zones, the initial investment would be higher. The high end of the estimated initial investment assumes that you are purchasing both the College Hunks Hauling Junk and College Hunks Moving concepts. The above table also applies to the “small market” franchise for Zones and a conversion franchise for business operators in a similar business.
2. All fees are payable to us, unless otherwise stated.
3. Franchise Fee. The Initial Franchise Fee is discussed in detail in Item 5. If you are purchasing a standard Zone, the Initial Franchise Fee is \$40,000 to \$50,000. This does not reflect the potential investment for a small market fee which is less than the standard Zone fee. If you are purchasing a small market franchise, the initial franchise fee will be calculated as 10¢ per person in the Zone you are purchasing and the Initial Franchise Fee will range from \$500 to \$29,999.90. If you are purchasing a conversion franchise, you will pay us an initial franchise fee that is equal to our then-current initial franchise fee reduced by an amount equal to 10% of the total sales for the previous year for your existing business, but in no event will you pay less than \$5,000.
4. Rent; Lease, Utility and Security Deposits. You will need an office space of approximately 200 to 300 square feet for the Franchised Business. The costs for your rental and security deposits will depend on, among other things, the size of the space you choose to rent and your creditworthiness. We do not permit that you operate the Franchised Business from your home. However, you may operate from your home while you are searching for an office but you must be operating your franchise from an office within 90 days of opening. If you purchase a conversion franchise and your existing office is from your home, you must operate your franchise from an office.
5. Signage. Your truck will need to be painted the color that we specify. You will also need to letter your vehicles in accordance with local ordinances, our guidelines and the Operations Manual. Our estimate represents the painting and signage costs for one truck. If you purchase both concepts, you will need painting and signage for at least two trucks. If you are a conversion franchisee, you must paint your existing trucks to our specifications.
6. Service Vehicle. Our estimate represents the down payment on a service vehicle. If you purchase your truck outright instead of leasing or financing it, you will pay between \$45,000 and \$63,000. Our current service vehicle specifications are included in our Operations Manual and are subject to change. The truck you must use in the College Hunks Hauling Junk concept must have our custom designed dump bed. Our custom dump body manufacturer and specifications are separate from the truck manufacturers. The estimated cost of the dump body is approximately

\$15,000 to \$18,000 and for the truck is between \$30,000 and \$45,000. The estimate includes the cost to lease or finance the truck and have the dump body built and installed, but does not include any amounts if you have an older truck that needs to be retrofitted to meet the new clean diesel rules that took effect in 2010. We anticipate that diesel truck prices are expected to increase as a result of the new diesel standards, and we reserve the right to approve alternative vehicle options if they meet our performance standards and brand consistency. See Item 12 for requirements for you to purchase or lease additional trucks for your Franchised Business. The estimated lease amount for the first 3 months of operation is between \$2,400 and \$3,000. We reserve the right to modify the required vehicle and introduce new vehicle specifications and retrofit requirements such as roll-off containers. If you wish to purchase a used truck for your Franchised Business, the truck must be approved by us before you may purchase it. If you purchase a conversion franchise, you may still be required to purchase new vehicles or truck equipment to match our current specifications.

If you purchase the College Hunks Moving concept, you will need a different style truck. If you will offer moving services, you will incur an additional \$5,000 to \$40,000 for a used truck, depending on the age and condition of the truck, or from \$45,000 to \$80,000 for a new truck. Any moving truck you purchase or lease must meet our specifications for appearance. If you wish to purchase a used moving truck, the truck must be approved by us before you may purchase it. These estimates are based on the assumption that these vehicles are financed. If you purchase the vehicles for cash your initial investment costs would be higher.

7. Equipment and Hand Tools. Our list of required equipment is provided in the Operations Manual. The required tools include hand tools, global positioning system (GPS) for navigation purposes, credit card processor, cleaning tools and other materials. The cost of uniforms is also included in this estimate. If you purchase a conversion franchise, you must purchase our required uniforms.

If you purchase the College Hunks Moving concept, you must also purchase appliance dollies, 4-wheel dollies, piano boards, rubber bands, moving pads (72" x 80"), and other miscellaneous inventory such as marketing inventory, wall map, packing supplies, and boxes. We estimate that the initial cost of these items will be between \$2,000 and \$5,000.

8. Office Equipment and Supplies. The office equipment you must purchase and maintain includes a computer, printer/fax/copier, initial marketing materials, truck supplies, and miscellaneous office supplies, and may include office furniture.
9. Business Licenses & Permits. The costs estimated above includes an estimate for the required dump permits, in addition to other business licenses and permits you may be required by your local government to have. If you purchase the College Hunks Moving concept, you will have separate license and permit requirements. If you purchase a conversion franchise, you will not incur this additional expense unless you add the College Hunks Moving concept. Moving licenses requirements vary significantly state by state with some states having very rigorous and expensive licensing requirement. You are encouraged to investigate your state's moving license requirements.
10. Professional Fees. You will need to have an attorney and an accountant and possibly other professionals.

11. Insurance. The figures in the chart are your monthly premiums. The low end of our estimate assumes that you are purchasing one concept and your Franchised Business will have one truck; the high end of our estimate assumes that you are purchasing both concepts and your Franchised Business will have two trucks and the additional insurance required to provide moving services, such as cargo insurance and employee dishonesty insurance. In rare cases, you will have to pay the entire annual premium in a lump sum, or you may pay your premiums quarterly or semi-annually. You must obtain the amounts and types of coverage which meet our minimum specifications. See Item 8 for additional information.
12. Training. The figures in the chart are your expenses during initial training. You will have salary, travel and lodging expenses. For this training program, we provide instructors and instructional materials, but you will need to arrange for transportation, lodging and food for yourself and one other trainee. The cost will depend on the distance you must travel and the type of accommodations you choose.
13. Grand Opening Advertising. You must conduct a grand opening advertising campaign to promote your Franchised Business within the first 60 days, and the advertising you need may include media buys and promotional items including point-of-sale items and merchandise. The required amount you must spend includes all Zones you purchase. This grand opening expenditure is \$10,000 per service (i.e. \$10,000 for moving and \$10,000 for junk removal) and this will include all Zones you purchase. Your grand opening advertising campaign must meet have our approval before you use it. We may require you to pay this money to us and we will spend it on your behalf using the marketing methods that we have identified as being most effective.
14. Additional Funds. You will need capital to support ongoing expenses, such as payroll, utilities, vehicle fuel and maintenance, and local advertising if these costs are not covered by sales revenue during the start up phase, which we estimate to be 6 months. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we estimate to be three months. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after.

The estimates provided above assume that you will have one Service Vehicle and own one Zone. ***If you choose to purchase both brands and/or multiple Zones, your initial investment will be significantly higher.*** We relied upon our principals' and affiliates' experience in providing junk removal since 2005 and moving services since 2011 when preparing these figures. However, these figures are merely estimates and there is no assurance that additional working capital will not be necessary during this initial three month phase at any time after the initial three months. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Us

Currently, you must use the proprietary software we specify for your Franchised Business, which is hosted by our approved proprietary software provider as specified in our confidential operations manual. We are the only approved supplier of our proprietary software, but we do not earn a profit by providing this item to you. The cost of the initial license for the Software is included in the initial

franchise fee. The ongoing costs for upgrades and operations are included in the Support Fee (see Item 6).

We are also an approved supplier of certain printed advertising materials, internet advertising and direct mail advertising, and in the future we may be an approved supplier for packing materials such as boxes and tape. Our affiliates are not suppliers of any products or services provided in operating your Franchised Business and will not derive revenue from required purchases or leases. We reserve the right to earn a profit from the sale of certain items to our franchisees.

We are an approved supplier as described above and we are owned by our parent, F&S, as described in Item 1. There are no other approved suppliers in which any of our officers owns an interest.

Approved Suppliers

In addition to your required purchase or lease of your service vehicle, there may be other required purchases from designated or approved suppliers. Our specifications for your service vehicle will be included in our Operations Manual and are subject to change. The service vehicle for providing junk removal services must be a model year 2003 or later Isuzu NPR HD (or other make and model we approve) and must be equipped with our custom designed dump bed and a Global Positioning System for navigational purposes. The service vehicle for providing moving services must be a 24 or 26 foot diesel moving truck with a hydraulic lift gate and must be equipped with a Global Positioning System for navigational purposes (you may be permitted to use a smaller enclosed box truck with our prior written consent). Eventually you must own at least one service vehicle for each Zone you have in your Designated Territory and for each franchise concept you purchase (see Item 12 for a description of Zones). You may choose to have more than one service vehicle for each Zone, but each additional service vehicle must be approved by us and our approval may be subject to a review of the performance of your Franchised Business' operations. You must have a web-enabled PDA (with calendar and scheduling capabilities) for scheduling and communicating while on the road, and you must maintain a cell phone for your Franchised Business.

The cost of those items that you must purchase from us or our designated suppliers in relation to the entire initial purchases represents between 25% and 30% of your total purchases in connection with the establishment of your Franchised Business, and in operating your Franchised Business, between 2% and 10%.

During 2012, we did not receive any revenue or other benefits from suppliers arising out of franchisee purchases of goods or services from them. However, we did receive a total of \$22,000 of voluntary sponsorship funds utilized to help defray our costs of organizing and producing our annual franchise reunion.

We require all of your appointments to be scheduled, processed, reviewed and delivered by the designated Call Center. The Call Center will disperse all jobs to you and our other franchisees. You are also permitted to take on jobs if you generate leads on your own, but you must report all information to the Call Center before performing any jobs that you or your employees generate. You must sign a Call Center Use Agreement, which is an exhibit to the Franchise Agreement.

You must purchase or lease equipment, including products and related supplies, that meet our minimum standards and specifications or are from suppliers that we approve, and if we develop any proprietary products or equipment in the future, you must purchase these from us or our designated supplier. For example, you must operate your Franchised Business using only our proprietary Software.

Currently, you must purchase a computer that is able to run our Software program, a power bar with surge protector, combination laser printer/scanner/fax machine, and a digital camera.

We will notify you in our Confidential Operations Manual (the “**Operations Manual**”) or by other communications of our standards and specifications and/or names of approved suppliers. There may be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be considered an approved supplier. There are currently no purchasing or distribution cooperatives, but we expect to have them in the future and we expect to be paid fees from these vendors or approved suppliers. During the last fiscal year ended December 31, 2012, we had total revenue and fees of \$2,324,618, of which \$82,000 (or 3.5%) was from franchisees’ required purchases or leases from us where we acted as a “pass through” to facilitate the franchisees’ purchases.

Standards and Specifications

We have developed standards and specifications for services provided by you. You must operate your Franchise Business according to these standards. These standards will guide you in the performance of the College Hunks Hauling Junk® and College Hunks Moving® products and services provided in operating your Franchised Business. We formulate our specifications and standards according to industry standards and standard business practices,

If you want to use any product or material that does not comply with the standards of the System or is to be purchased from a supplier that has not yet been approved, you must first submit a written request for approval of the proposed supplier and obtain our approval of the supplier before purchasing any items from this supplier. We will, within a reasonable time (within 30 days), notify you of our decision. We will periodically establish procedures for submitting requests for approval of items and suppliers and may impose limits on the number of approved items and suppliers. Approval of a supplier may be conditioned on requirements relating to product quality, production and delivery capabilities, ability to meet our supply commitments, financial stability, integrity of standards of service, familiarity with our System and ability to negotiate favorable terms for our franchisees. We do not generally make available to you these criteria for supplier approval. You must reimburse us for our reasonable actual costs in evaluating the potential supplier or product.

We do not provide any material benefit to franchisees for use of approved suppliers. We may negotiate purchase arrangements with some of our suppliers (including price terms) for the benefit of our franchisees, but we are under no obligation to do so. The arrangements we negotiate may include that approved suppliers pay us a sponsorship fee to help pay for the costs of an annual franchisee convention. We do not currently receive payment, in the form of preferred pricing, from any suppliers due to these suppliers’ transactions with us or our franchisees.

You may sell junk removal services and moving services that are approved by us and which strictly conform to our Operations Manual. All products and services approved by us must be offered for sale on a continuous basis at your Franchised Business at the time and in the manner required by us. No sale of any product or service except those products or services approved by us may be solicited, accepted or made at or from your Franchised Business. If requested by us on at least 30 days’ notice as part of a general program or standardization effort by us, the marketing of a particular product or service must be discontinued. Then this product or service is no longer an approved product or service.

You must offer a money-back satisfaction guarantee to your customers for the services you provide. We reserve the right to establish a “mystery shopper” program and if we do, you must participate in the program. A significant level of negative feedback from your customers or an

unsatisfactory result of a mystery shop will be a default under your Franchise Agreement and we may require you to participate in enrichment training, as described in Item 11. We will pay for the costs related to any mystery shop, except that if we find a significant amount of negative feedback has occurred, we reserve the right to require you to pay for additional mystery shopping services in addition to your participation in enrichment training.

We may occasionally conduct market research and testing to determine consumer trends and salability of new products, materials and services. You must cooperate by participating in our market research programs, test marketing new products and services and providing timely reports and other relevant information regarding marketing research. In connection with test marketing, you must purchase a reasonable quantity of products to be tested and effectively promote and make a reasonable effort to sell the products, materials and services. We may also require you to sign an agreement with us authorizing the test marketing.

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. Our required insurance coverages will be included in the Confidential Operations Manual and may change during the term of your Franchise Agreement and based on the franchise concept you purchase. 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 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 at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims.

You currently must maintain 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 of insurance containing minimum liability coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate. We recommend, but do not require, that your comprehensive general liability policy include employment practices coverage; (2) Workers' Compensation or other employer's liability insurance 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; and (3) automobile liability coverage, including coverage of owned, non-owned and hired vehicles of \$1,000,000 per occurrence, and these automobile liability amounts must be maintained for each service vehicle.

If you will offer moving services, then in addition to the insurance described above you must also obtain cargo insurance for damage or loss to the cargo while it is being moved, and coverage while items are being loaded, unloaded or otherwise in your possession. You must have cargo insurance of \$50,000 per truck, regardless of the truck's size or the amount of property being moved. In addition, you must have employee dishonesty insurance of not less than \$10,000 and we recommend that you have a third party dishonesty bond of not less than \$10,000.

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; and (2) 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 shareholders) as additional insureds and must provide us with 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.

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.

Obligation	Article in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Article IX	Items 7 and 11
(b) Pre-opening purchases/lease	Articles V and IX	Items 7 and 11
(c) Site development and other pre-opening requirements	Not Applicable	Items 7 and 11
(d) Initial and ongoing training	Article V	Items 6, 7 and 11
(e) Opening	Article IX	Item 11
(f) Fees	Articles VIII, XI and XVI	Items 5, 6, 7 and 8
(g) Compliance with standards and policies/Operations Manual	Articles VI and IX	Items 8, 11, 14 and 16
(h) Trademarks and proprietary information	Articles VII and XIV	Items 13 and 14
(i) Restrictions on products/services offered	Articles III and IX	Items 8 and 16
(j) Warranty and customer service requirements	Article IX	Items 8 and 16
(k) Territorial development and sales quotas	Article III	Item 12
(l) On-going product/service purchases	Article V	Items 6 and 8
(m) Maintenance, appearance and remodeling requirements	Article IX	Not Applicable
(n) Insurance	Article X	Items 7 and 8

Obligation	Article in Franchise Agreement	Disclosure Document Item
(o) Advertising	Article XI	Items 6, 7 and 11
(p) Indemnification	Article XIII	Item 6
(q) Owner's participation/ management/ staffing	Article IX	Items 11 and 15
(r) Records/reports	Articles IX and XII	Item 6
(s) Inspection/audits	Articles IX and XII	Item 6
(t) Transfer	Article XVI	Items 6 and 17
(u) Renewal	Article IV	Items 6 and 17
(v) Post-termination obligations	Article XVIII	Item 17
(w) Non-competition covenants	Article XV	Item 17
(x) Dispute resolution	Article XX	Items 11 and 17
(y) Liquidated Damages	Article XVIII	Item 6

ITEM 10 FINANCING

Except as provided below, we do not offer direct or indirect financing. We do not guarantee your note, lease or any other obligation.

We have been accepted by SBA Franchise Registry. It is our understanding that this acceptance may expedite the loan process if you wish to obtain outside financing.

The following summarizes the financing terms (see Exhibit "H" to the Franchise Agreement for Financing Documents):

SUMMARY OF FINANCING OFFERED

Term	Document / Section	Provision
Item Financed	Franchise Agreement, §8.1.7	Up to 70% of the Initial Franchise Fee
Amount Financed	Franchise Agreement, §8.1.7; Promissory Note, Exhibit "H" to the Franchise Agreement ("Note")	Up to 70% of the Initial Franchise Fee
Term (Months)	Note	24 months
APR %	Note	A fixed rate ranging from 12% to 24% depending on your creditworthiness
Monthly Payment	Note	Equal monthly payments for the term.
Prepayment	Note	Note may be prepaid in full or in part at any time without penalty or premium.

Term	Document / Section	Provision
Waiver of Defenses	Note	The Maker waives presentment, demand, protest, dishonor and all other notices and demands in connection with the delivery, acceptance, performance default or endorsement of the Note.
Liability Upon Default	Note	The Payee may declare the entire unpaid principal amount of the Note and all interest accrued and unpaid immediately due and payable and recapture the Franchise Agreement and associated territory.
Guarantee	Individual Guaranty of Promissory Note, Exhibit "H" to Franchise Agreement	The Maker may require your owners to guarantee its obligations under the Note.
Assignment	N/A	We do not intend to sell, assign or discount to a third party all or any part of a financing arrangement we provide to you.

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 Obligations

Before the opening of a Franchised Business we will provide the following assistance and services:

1. Provide you with the manufacturer of and specifications for your vehicle, custom dump body and signage so that you can lease or purchase the accepted vehicle for your Franchised Business (Franchise Agreement – Section 9.5).
2. Lend you one copy of the Operations Manual (Franchise Agreement – Section 5.1).
3. Provide an initial training program at our offices, the cost of which is included in your initial franchise fee, excluding transportation, lodging, meals and salary (Franchise Agreement – Section 5.3). This training is described in detail later in this Item.
4. Provide, in addition to or in conjunction with the initial training program, additional assistance as we deem necessary or advisable (Franchise Agreement – Section 5.4).
5. Provide you with access to our directory of franchisees either in print or via intranet (Franchise Agreement – Section 5.16).
6. Identify your Designated Territory (Franchise Agreement – Section 2.1).
7. Provide electronic artwork and templates for various documents and for advertising purposes (Franchise Agreement – Section 5.19).

Post-Opening Obligations

During the operation of a Franchised Business we will provide the following assistance and services:

1. Provide guidance and assistance in the operation of your Franchised Business. This guidance may be provided in the form of intranet or e-mail communications and periodic telephone communications, and the Call Center system is to be used for the benefit of each of our franchisees. The Call Center is a centralized operations center located at our headquarters. The Call Center will receive leads which it will distribute to you and all of our other franchisees, regardless of where they are located. (Franchise Agreement – Section 5.14)

2. Issue, modify and supplement standards for the System that may regulate any one or more of the following regarding your Franchised Business: (a) hours of operation, (b) marketing and sale of services, (c) maintenance of your vehicle, (d) checklists, (e) general rules and regulations for employees, and all other matters that in our sole judgment require standardization and uniformity in all Franchised Businesses. (Franchise Agreement – Section 6.1)

3. Provide you with the suggested pricing structure for your jobs and provide you with the maximum prices that you may charge for a job (Franchise Agreement – Section 5.10).

4. Assist you in resolving disputes between you and third parties relating to your Franchised Business (Franchise Agreement – Section 5.21).

Advertising

Brand Development Fund

We maintain a brand development fund (the “**Fund**”). The Fund will deduct a biweekly, non-refundable Brand Development Fee which will be 1% of your Gross Sales. The Fund will be used for national, regional and/or local advertising, publicity and promotion relating to our business. We will determine, in our fully unrestricted discretion, the manner in which the Fund will be spent. Some portion of the Fund may be used for creative concept production, marketing surveys, test marketing and related purposes. We have the right to direct all advertising activities of the Fund with sole discretion over creative concepts, materials and media used, as well as their placement and allocation and we will employ agencies, including advertising and public relations agencies, as we determine will best achieve the goals of the Fund and these agencies will be paid from the Fund. We also have the right to determine, in our sole discretion, the composition of all geographic and market areas for the implementation of these advertising and promotional activities.

The Fund is intended to maximize general public recognition in all media of the Proprietary Mark and patronage of College Hunks Hauling Junk® and College Hunks Moving® Franchised Businesses, and we have no obligation to ensure that expenditures of the Fund in or affecting any geographic area are proportionate or equivalent to payments of the Brand Development Fee by franchisees operating in that geographic area, or that any Franchised Business will benefit directly or in proportion to the Brand Development Fees paid for the development of advertising and marketing materials or the placement of advertising. No amount of the Fund will be spent for advertising that is principally a solicitation for the sale of franchises. We have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs) of developing, producing and distributing any advertising materials and collecting the Brand Development Fee (including attorneys’, auditors’ and accountants’ fees and other expenses

incurred in connection with collecting any Brand Development Fee) and in addition, for the services provided, we will receive out of the Fund an administrative fee equal to 10% of the amounts actually expended to cover our services, salaries, supplies and overhead expenses.

The Fund is not our asset, and it is not a trust. We do not owe you any fiduciary obligations because we maintain the Fund. We may spend in any calendar year an amount greater or less than the aggregate contributions made by all Franchised Businesses contributing to the Fund in that year. We may make loans to the Fund (and the Fund may borrow from us or other lenders) bearing reasonable interest to cover any deficits of the Fund or cause the Fund to invest surplus for future use. Any money remaining in the Fund at the end of any year will carry forward to be used in the next year.

Any Franchised Businesses owned by us or by our affiliates will contribute to the Fund on the same basis as you. Funds from the Brand Development Fees paid will be kept separate and distinct and will be accounted for separately from our other funds. These funds will not be used to defray any of our general operating expenses, except as described in the paragraph above, and will not be used principally to solicit new franchisees. We will prepare, and furnish to you upon written request, an unaudited annual statement of funds collected and costs incurred.

We may incorporate the Fund or operate it through a separate entity whenever we want to. The Fund is intended to maximize general public recognition and patronage of all College Hunks Hauling Junk® and College Hunks Moving® businesses and the Proprietary Marks for the benefit of all College Hunks Hauling Junk® and College Hunks Moving® businesses. We have no obligation to ensure that expenditures by the Fund are proportionate or equivalent to contributions by College Hunks Hauling Junk® or College Hunks Moving® businesses or that any College Hunks Hauling Junk® or College Hunks Moving® business will benefit directly or in proportion to its contribution to the Fund from the conduct of marketing programs or the placement or advertising.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle and compromise all claims by or against the Fund.

We may at any time defer or reduce the Brand Development Fee of a business and, upon 30 days' prior written notice to you, reduce or suspend the Brand Development Fee and Fund operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to all businesses in the System (whether franchised or operated by us or our affiliates) in proportion to their respective Brand Development Fees paid during the preceding 12 month period. If we reinstate the Fund, it will be maintained as described above.

During 2012, the Fund expended monies for advertising as follows:

Production	50%
Media Placement	20%
Administration	<u>30%</u>
	100%

Local Advertising

You must place your initial listing in the White Pages of your local telephone directories. This listing will list the Call Center's client service number. A Yellow Pages advertisement is not required,

but if you choose to place an advertisement in your Yellow Pages, it must first be approved by us and you must pay all costs related to the advertisement.

You must spend no less than 1,000 per service (moving and junk hauling), each month for each brand you own on local advertising and marketing. This amount does not include the cost of any marketing collateral or supplies. At our discretion, we may request, and you must provide, reports and receipts evidencing the placement of advertising.

Your advertising promotion and marketing must be completely clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically prescribe. Before you use them, you must send us for approval samples of all advertising, promotional and marketing materials which we have not prepared or previously approved. If you do not receive written or verbal approval within 20 days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional or marketing materials that we have disapproved. Advertising promotional or marketing materials which we must approve include any information on a web home page or otherwise on the Internet. You may not operate any web site involving, referring to or in any way related to a competitive business. As described in Item 13, you may not use the Marks as part of any domain name, electronic address or search engine and cannot maintain your own website under any circumstances.

Any and all advertising we approve for your use in your local market will become our property upon our approval and we may use this advertising for our own purposes. You must advertise your Franchised Business using the telephone number and website address we specify.

At our request, you must give your local advertising money to us and we will conduct your local advertising for you using the marketing methods that we have identified as being the most effective.

Advertising Cooperatives

We will have the right, as we see fit, to establish a Cooperative Fund for an area where there are two or more Franchised Businesses in operation, or we may approve a Cooperative Fund formed by franchisees within an area. The purpose of a Cooperative Fund is to conduct advertising campaigns for the Franchised Businesses located in that area. Contributions to a Cooperative Fund will be determined by majority vote of the members of the cooperative. Any amounts paid to a Cooperative Fund will count as part of your local advertising requirement, but if the amount you contribute to a Cooperative Fund is less than the amount you must spend on local advertising, you must still spend the difference locally. As of the date of this Disclosure Document, there are no Cooperative Funds in existence.

If a Cooperative Fund for your area was established before you began to operate your Franchised Business, then when you open your Franchised Business, you must immediately join that Cooperative Fund. If a Cooperative Fund for your area is established after you begin to operate your Franchised Business, then you will have 30 days to join the new Cooperative Fund. An individual Franchised Business will not need to be a member of more than one Cooperative Fund. If we (or an affiliate) contribute to a Cooperative Fund, we will have the same voting rights for our Franchised Businesses as do our franchisees with respect to their Franchised Businesses. Each Franchised Business in the Cooperative Fund, regardless of the number of Zones owned by the Franchised Business, will have one vote on Cooperative Fund matters.

The Cooperative Fund will determine who will administer the Cooperative Fund. The written governing documents will be available for review by you. Cooperative Funds do not need to prepare

annual or periodic financial statements, but if they are prepared, they may be reviewed by you. We will have the power to require cooperatives to be formed, changed, dissolved or merged, and we will have final approval on the contribution methods (percentage of Gross Sales versus flat fee) and contribution amounts. See Item 6 for further information on contributions to the Cooperative Fund.

Grand Opening Advertising

You must submit a written plan for a grand opening advertising campaign. This grand opening advertising is to be conducted by you in connection with the grand opening of your Franchised Business, and must be conducted during the first 60 days of operations. At our request, you must give us the money for your grand opening advertising campaign and we will conduct the campaign on your behalf in your local market using the marketing methods that we have identified as being most effective.

Advisory Councils

We reserve the right to develop one or more advisory councils for the System. If we develop a franchisee advisory council program, you must actively participate in all council activities, follow the guidelines as stated in any council by-laws drafted by us, and pay all reasonable dues and assessments levied by the council program, which shall count toward your Local Advertising requirement described above. The purpose of the council program shall include exchanging ideas between franchisees, exchanging ideas between franchisees and us, and providing suggestions for improving the overall quality of the System. Franchisee representatives are nominated for the council and voted on the council by other franchisees in the System. Any council formed will not have decision making authority, but is a means of providing insight, recommendations and communication between us and franchisees. We will have the right to form, change, merge or dissolve any council at any time.

We currently have one advisory council which includes 8 franchisee representatives and one franchisor representative.

If we make a decision that will affect the entire system, we may give each Franchisee a vote on the matter. Number of votes will be based on revenue production volume of each Franchisee. Franchisees will be given 1 vote per \$100,000 revenue that they produced in the previous calendar year. If a Franchisee has been open less than 12 months, their revenue will be annualized based on their prior monthly averages to come up with their number of votes. A majority will be considered at 75% of the votes present and voting.

Internet Websites

You must strictly comply with our social media policies relating to internet websites, including your participation in social or networking websites (such as Facebook, Youtube, Yelp, LinkedIn and Twitter), the promotion of your Franchised Business on the internet, and the use of the Proprietary Marks on the internet. Our policies will be included in our Operations Manual and may be periodically updated.

Site Selection and Opening

We estimate that between 30 and 60 days will elapse from the date you sign the Franchise Agreement to the opening of your Franchised Business for business. We will establish your Designated Territory and each additional Zone you may purchase based on population, as determined by the most recently published data from the U.S. Census Bureau (or any other source we decide to use). See Item 12. Your Franchised Business must be opened for business not later than 30 days after we approve the

Designated Territory for your Franchised Business or 90 days after you sign the Franchise Agreement, whichever occurs first. You will need to lease approximately 200 to 300 square feet of office space for your Franchised Business. We do not evaluate or approve your office location; as a result, no site selection assistance is provided nor is any criteria issued, as you are free to locate your franchise from any office location. You may not open your Franchised Business for business until: (1) we determine that your Franchised Business has been equipped and stocked with materials and supplies in accordance with plans and specifications we have approved; (2) the initial training program we provided has been completed to our satisfaction by the initial trainees; (3) the initial franchise fee and all other amounts due to us have been paid; (4) you have furnished us with all certificates of insurance required by the Franchise Agreement; (5) you have obtained all required governmental permits, licenses and authorizations necessary for the operation of your Franchised Business; (6) you are in full compliance with all the terms of the Franchise Agreement; and (7) all items in our opening checklist have been complied with to our satisfaction.

Training Programs (HUNK UNIVERSITY)

Before the Franchised Business's opening and within 30 days of signing the Franchise Agreement, we will provide a mandatory training program in the operation of your Franchised Business to you and one additional person (for a maximum of two people) at our Hunk University. Approximately 5 to 15 days of training will be conducted at our headquarters in Tampa, Florida. The cost of the training program is included in your initial franchise fee and will be provided to you and one additional person. All attendees must complete the training program to our satisfaction. However, you must pay for all costs of travel, food, lodging, wages and other incidental expenses incurred by you and your employee in attending the training program. (Franchise Agreement – Section 5.3.) In addition, we may elect to provide up to three days of additional on-site training during the first three months of operations of your Franchised Business, and periodically as we deem necessary. If you fail to complete the training program to our satisfaction, we may elect to terminate the Franchise Agreement and keep the entire initial franchise fee.

We will also provide additional training programs, refresher courses or “on-the-job” training at a mutually convenient time. You must pay us our then-current per diem fee for each of our representatives conducting this training for each day the training continues. The per person cost of the class or training will be determined by us based on the cost of the instructor's fee, travel, lodging, food and materials associated with the training topic. You must also pay all expenses of travel, lodging, meals, meeting rooms and materials incurred by our representatives. (Franchise Agreement – Section 5.3.)

When we decide to hold it, you or your representative must attend our annual convention and pay an attendance fee, currently estimated to be \$300 per person, plus travel and lodging.

The materials we use in conducting our training program includes our Operations Manual, Software Manual, and any other materials that we believe will be beneficial in the training process. There currently are no fixed (*i.e.*, monthly or bi-monthly) training schedules, but we anticipate providing training four times a year. We project the following training schedule:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Introduction to College Hunks Hauling Junk and College Hunks Moving & Competitive Advantages	2	0	Online Training Module
Daily Operations	1	0	Online Training Module
Safety & Accident Prevention	1	0	Online Training Module
Client Estimating, Sales & Negotiation	2.5	0	Online Training Module
History, Philosophy and Vision of College Hunks Hauling Junk	1	0	Tampa, Florida
Use of the Manual	0.5	0	Tampa, Florida
Services provided to College Hunks Hauling Junk Franchisees	0.5	0	Tampa, Florida
Pre-Opening Procedures	5	0	Tampa, Florida
Goal Setting	1	1	Tampa, Florida
CHHJ Proprietary Software Training	2	3	Tampa, Florida
Human Resources	2	1	Tampa, Florida
Advertising/Marketing	4	1	Tampa, Florida
Budgeting	2	0	Tampa, Florida
Accounting Systems	1	1	Tampa, Florida
Sales Procedures	3	4	Tampa, Florida
Pricing	1	0	Tampa, Florida
Management Procedures	2	2	Tampa, Florida
Client Service Procedures	3	2	Tampa, Florida
Call Center Orientation	1	1.5	Tampa, Florida
Scheduling Jobs	1	0.5	Tampa, Florida
Franchise Reporting Requirements	0.5	0	Tampa, Florida
Junk Hauling and Safety Procedures – Truck Ops, Driver and Manager Training	1	6	Tampa, Florida

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Moving Technical Training – Truck Ops, Driver and Manager Training	8	6	Online Modules and Tampa Florida
TOTAL	46	29	

Notes:

- 1 It is the nature of the business that all aspects of the training are integrated so there are no definitive starting and stopping times. We reserve the right to modify the training program at any time to accommodate the individual needs and/or experience of a particular trainee.
- 2 All of our instructors are part of our management team. Their bios are listed in Item 2. Steven Nickels has primary responsibility for providing the initial training program. The minimum experience of the instructors in the field that is relevant to the subject taught and our operations is from 2 to 5 years.
- 3 If you are an existing franchisee and you wish to offer moving services, you must receive our moving training. We will not charge you a separate fee for this training, but you must pay for all expenses you and your other trainees incur while attending this additional training.

Enrichment Training

We may require you to participate in a form of enrichment training if your Franchised Business is not performing satisfactorily. Your participation in enrichment training would be at your expense. Enrichment training may include that you must attend additional training at our headquarters, we may send one of our trainers to your Franchised Business to provide additional training, we may require you to visit another Franchised Business for additional training, and/or we may require you to participate in periodic conference calls. Your Franchised Business will be deemed to not be performing satisfactorily if you are not meeting the required minimum performance standards (as described in Item 12), your Franchised Business has suffered negative growth for six or more consecutive months, you have reporting problems (including failure to comply with our reporting procedures and/or late reporting for two or more consecutive periods), you have a high level of damages or customer complaints, or you are not responding to calls according to our requirements (including calls from us, the Call Center and customers). Unsatisfactory performance is a default under your Franchise Agreement.

We will provide you with notice that your Franchised Business is not performing satisfactorily, the nature of the default and the actions you must take to cure the default. You will have three months to complete the actions we designate and bring your Franchised Business up to our performance requirements. If you are unable to do so within this three month period, we will have the right to terminate your Franchise Agreement.

Computer Systems and Software

Currently, you must purchase a computer whose configuration should be at least as follows: 2.0 GHz Pentium 4 processor, 2 GB RAM, 200 GB hard drive, Recordable CD drive, 10/100 Ethernet NIC, DSL or cable modem, power bar with surge protector, combination laser printer/scanner/fax machine, and

a 2 Megapixel digital camera. Minimum software requirements include: Windows 7; antivirus software; Office 2007 Pro, the latest version of Internet Explorer, Adobe Acrobat Reader, QuickBooks (on-line account) and our proprietary software. In addition, you must have a software or hardware firewall for your computer system, as well as a maintenance contract for your computer. You must provide us with your user ID and password for your QuickBooks account.

You must have a dedicated business e-mail account which must be a gmail address that we create on your behalf and have access to. You will also have a business email account that will be linked with your gmail. There are no specific contractual obligations limiting the frequency or cost of your obligation to acquire upgrades and updates or to replace obsolete or worn out hardware or equipment. The frequency could be annually or bi-annually; they would be at your cost. We estimate that the initial cost of your computer system will be between \$500 and \$1,000.

The proprietary software, which will be used by our franchisees and which you must use in the operation of your Franchised Business, is hosted by our approved software developer as specified in our confidential operations manual. The proprietary software performs some functions for operating your business. The software is primarily used for booking jobs, client management, fee reporting, and other resources for your Franchised Business. We will, periodically, provide maintenance and upgrades for the proprietary software, and the costs for these are included in the Call Center Fee, but neither we nor our affiliates will provide you with any other updates, upgrades or maintenance for your computer system.

You must have a high speed internet service provider approved by us with internet access and e-mail. We will use these methods to communicate with our franchisees. You must periodically access our Intranet for updates, information and communications.

The data concerning jobs performed by us, our affiliates and our franchisees will primarily be maintained on the central computer used by the Call Center; however, we reserve the right to request additional data and records from you. All data collected will become our property, and we reserve the right to share reports and performance information of any franchisee with other franchisees in the System for comparison and development. We do not have direct access to the data on your computer. Any personal information inadvertently obtained from you or your computer system will not be provided to any other franchisee or any third party.

Confidential Operations Manual

Attached to this Disclosure Document as Exhibit "G" is the Table of Contents of the Confidential Operations Manual, which includes multiple volumes. The Confidential Operations Manual (all volumes) includes approximately 300 pages.

Dispute Resolution

If we become aware of a dispute between you and one or more third parties relating to your Franchised Business, we may take one or more of the following actions.

1. We may take no action other than to instruct you to resolve the dispute in a manner that will not cause injury to the College Hunks Hauling Junk and/or College Hunks Moving brand or System.
2. We may assist you and the third parties to resolve the dispute if we believe our assistance will constructively resolve it.

3. If we believe that the dispute cannot or will not be resolved and that the dispute will or may damage the Proprietary Marks, the System and/or the goodwill associated with them, we may, with advance written notice to you, resolve the dispute directly with the third party by paying any damages alleged and supported by documentary evidence by the third party, including attorneys' fees, and you must indemnify us for any payments we make. You must reimburse all costs we incur related to this settlement. We may, but are not required to, consult with a designated franchisee group to provide an opinion regarding resolution of the dispute, but we are not required to comply with any opinion provided. In providing the advisory group with facts related to the dispute, we will use our best efforts to keep information relating to the identities of the disputants confidential.

ITEM 12 TERRITORY

Franchise Agreement

We will grant you a Designated Territory within which to operate your Franchised Business, which will be the first (or only) Zone you purchase. We will establish your Designated Territory and each additional Zone you may purchase based on population, as determined by the most recently published data from the U.S. Census Bureau (or any other source we decide to use). We anticipate that each Zone will have a population of between 300,000 to 400,000 people. During the term of your Franchised Business, when we refer to your "**Designated Territory**," it will include all contiguous Zones you purchase. Your Designated Territory, including each Zone, will be listed on Exhibit "A" to your Franchise Agreement. This exhibit will be updated to reflect any additional Zone you purchase as well as your truck rollout schedule (see below). We (and any affiliates that we periodically might have) will not establish, nor allow another franchise owner to establish, another Franchised Business located within your Designated Territory, except that if you only purchase one of the concepts being offered in this Disclosure Document and not both, we have the right to sell the other concept to a franchisee who will operate it within your Designated Territory. If you are in good standing under your Franchise Agreement, we will notify you of the proposed sale of the other concept and you will have 10 days after our notice to purchase the other concept. If you do not, then we may sell the concept to the other franchisee. If you are not in good standing under your Franchise Agreement, you will not be offered the opportunity to purchase the other concept.

You must meet performance requirements and office requirements before you will be permitted to purchase an additional Zone. You will be required to operate at least one office per 4 Zones that you own, and you will be required to sign a separate Franchise Agreement for each office. You must reach a minimum of \$20,000 revenue per month per Zone, and you must have at least \$40,000 in working capital or financing before you will be permitted to purchase an additional Zone.

Before we will grant you the right to purchase additional Zones, you must meet certain qualifications, including: you must demonstrate the financial ability to operate multiple Zones; you must demonstrate that you have a minimum of six months of operating capital for your entire Designated Territory (including the Zone you wish to purchase); and you must be in full compliance with your Franchise Agreement and all other agreements relating to the Franchised Business (such as a vehicle lease). If we grant your request to purchase an additional Zone, we reserve the right to terminate your current Franchise Agreement and have you sign our then-current form of Franchise Agreement, which may be modified so that the Franchise Agreement will expire when your original agreement would have expired.

We reserve the right to grant or refuse to grant Zones, in our sole discretion, and we will not reserve a Zone for future purchase. We do not guarantee that any Zone will be successful.

If a prospective franchisee wishes to purchase a Zone that is contiguous to any Zone in your Designated Territory, we will first give you the opportunity to purchase the Zone. You must notify us within five days of our offer if you wish to purchase the additional Zone, and you must be able to complete the purchase within 15 days. We reserve the right to either not offer you the option to purchase the additional Zone or to deny you the opportunity to purchase the additional Zone if you do not meet our criteria for purchasing an additional Zone, as described above.

You must use your best efforts to promote and increase the sales and services of the Franchised Business to effect the widest and best possible distribution and sale of products and services and to solicit potential clients and accounts for junk removal and/or moving services in conjunction with us. Continuation of your territorial exclusivity does depend on your achieving a certain sales volume, market penetration, or other contingency. You must generate a minimum amount of Gross Sales to meet our minimum royalty payment requirements, which are explained in Item 6.

If you fail to achieve the level of Gross Sales to generate the minimum royalty payment, we may either take back a Zone (if you have purchased multiple Zones), reduce your territory size or terminate your Franchise Agreement. These minimums shall not be deemed to be a projection or estimation of how much money or revenues that you might be able to generate from your Designated Territory. These minimums have been established to permit you to maximize the revenues to be generated from your Designated Territory and to provide as much market penetration as possible so as to build brand-equity within the Designated Territory. Since a Franchised Business may be considered seasonal in some areas of the country, you should consider that your Franchised Business may earn less revenue during certain times of the year.

During the term of the Franchise Agreement, we (and any affiliates that we periodically might have) have the right:

(1) to establish and operate, and grant rights to other franchise owners to establish and operate, Franchised Businesses or similar businesses at any locations outside of the Designated Territory and on any terms and conditions we deem appropriate;

(2) to sell any junk removal, moving and related services identical or similar to, or dissimilar from, those your Franchised Business sells, whether identified by the Proprietary Marks or other trademarks or service marks through any distribution channels we think best (including the Internet), located or operating outside of the Designated Territory;

(3) to sell any junk removal, moving and related services through any distribution channels we think best (including the Internet), located or operating outside of the Designated Territory;

(4) to purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Franchised Business (and/or franchise, license, and/or similar agreements for these businesses), some or all of which might be located within the Designated Territory;

(5) to be acquired (regardless of the form of transaction) by a business identical or similar to Franchised Businesses, except that if we are acquired by a competing business that has one or more outlets located within your Designated Territory, you will have the option (to be exercised within 30 days after our notice to you regarding the acquisition) to request that we buy back your Franchised Business

according to the buy back provisions described below and in Article XXI of the Franchise Agreement; and

(6) to engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

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.

You may relocate your Franchised Business only with our prior written approval. Our approval will be based upon many factors, including the viability of the then-current location and demographics (including population, size of the space and rental costs relating to the proposed location). You may not relocate your Franchised Business without our prior approval. Our approval will not be unreasonably withheld. This approval should not be construed as an assurance or guaranty that the new site will be successful. Our approval is based on certain limited set of factors, such as the number of residential homes, traffic patterns, size of the premises, lease terms, competition, and similar factors. If we approve the relocation of your Franchised Business, the new location must be within your Designated Territory.

You may provide services to clients and prospective clients within your Designated Territory only. You may not engage in any promotional activities or sell any junk removal or related services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system or any interactive electronic document contained in a central computer linked to communications software service providers (collectively, the “**Electronic Media**”) or any other devices sent or directed to clients or prospective clients; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from clients or prospective clients. While you may place advertisements in printed media and on television and radio that are targeted to clients and prospective clients located near your Franchised Business, as determined and approved by us, and will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective clients located outside your Designated Territory, you may not make any sales or perform services to clients unless the Call Center directs those leads to you because the Call Center will determine which franchisee will perform these services.

We and our affiliates may sell products under the Proprietary Marks within and outside your Designated Territory through any method of distribution other than a dedicated Franchised Business, including sales through channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing sales (together, “**alternative distribution channels**”). You may not use alternative distribution channels to make sales outside or inside your Designated Territory except as described in the following paragraph and you will not receive any compensation for our sales through alternative distribution channels except as described in the following paragraph.

You may not directly solicit or service clients located outside of your Designated Territory. In limited circumstances, we may approve your providing services to clients in an unassigned Zone. If your Gross Sales from providing services to clients outside of your Designated Territory is at least 30% of your total Gross Sales, we reserve the right to require you to purchase that Zone if you wish to continue providing services in it. In this event, you must still meet our qualifications to purchase an additional Zone. If you choose to not purchase the additional Zone, then you must immediately stop providing services in that area or we may begin charging an out-of-territory lease fee which will be an additional 10% of revenue outside of the territory. The amount you pay for this lease fee will be non-refundable but can be applied to the purchase of additional Zones, but does not guarantee the purchase of additional

Zones. We reserve the right to require you to service clients who are outside of your Designated Territory but within a 15-mile radius of the Designated Territory. If the job is at a location greater than the 15-mile radius, you have the choice whether you wish to provide the services.

We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark.

Except for any other franchise program that we may develop in the future, neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned facility which provide similar products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent. In addition, our parent reserves the right to use the 1-800-Junk-USA toll-free number, website and proprietary mark for businesses that offer similar services anywhere, including within your Designated Territory.

Service Vehicle Roll-out Schedule

We anticipate that each franchisee will add Service Vehicles to better service the Franchised Business and its clients. We believe that the following will be a typical Service Vehicle Roll-Out schedule:

1. If you purchase the College Hunks Hauling Junk brand only, then you must start operating with one junk truck. When you have achieved Gross Sales of \$15,000, then you must add a second junk truck. If you own more than one Zone, you will be required to have at least 1 truck per Zone by the 3rd year, or you may forfeit the additional Zone(s).

2. If you purchase the College Hunks Moving brand only, then you must start operating with one moving truck. When you have achieved Gross Sales of \$15,000, then you must add a second moving truck. If you own more than 1 Zone, you will be required to have at least 1 truck per Zone by the 3rd year or you may forfeit the additional Zones(s).

3. If you purchase the both College Hunks Hauling Junk and College Hunks Moving brands, then you must start operating with one junk truck and one moving truck. When you have achieved Gross Sales of \$15,000 in either junk removal or moving services, then you must add a second truck, depending on which type of service earned the \$15,000 in Gross Sales.

If you own more than 1 Zone, you will be required to have at least 1 truck per Zone by the 3rd year, or you may forfeit the additional Zone(s). You must add 1 truck per Zone owned each year; i.e. if you own 2 Zones, you will add a second truck by year 2. If you own 3 Zones, you will add a 3rd truck in year 3. If you have more than 3 Zones, you must have 1 truck per Zone by the end of the 3rd year or you may forfeit the additional Zones.

Generally speaking, you should initially have one truck for each brand you purchase and each Zone you purchase. So, if you purchase two Zones of the College Hunks Hauling Junk brand, you should start with one junk truck. If you purchase two Zones of the College Hunks Hauling Junk and College Hunks Moving brands, you should start with one junk truck and one moving truck. We anticipate that you will add trucks at the rate of at least one truck per brand each year. If you purchase two Zones of the College Hunks Hauling Junk and College Hunks Moving brands, then each year you would add one junk truck and one moving truck.

We reserve the right to alter these basic requirements for particular franchisees based on their particular circumstances. Once the Service Vehicle Roll-Out schedule is determined for your Franchised, Business, failure to meet these roll-out requirements indicate lack of capitalization and performance potential and will be subject to default. New roll-out requirements will be set when you renew your Franchise Agreement. Similarly, new roll-out requirements will be set when adding a Zone(s) mid-term.

You must sign a separate franchise agreement for each office and physical location and you must have at least one office per 4 Zones; i.e. if you purchase 5 Zones, you must have 2 office and 2 franchise agreements. You must demonstrate a business plan and financial viability to be above to operation more than 1 Zone.

National and Regional Accounts

We may develop a National or Regional Accounts program for the benefit of all Franchised Businesses. A "National or Regional Account" means any client that has employees or offices in two (2) or more locations and in more than one (1) Zone, or which qualifies for corporate pricing for commercial services. The locations of some of the National or Regional Accounts may be in your Zone and they may have locations in other Zones. Under the National or Regional Accounts program we may solicit customers located in your Zone, whether or not you currently provide services to them, in order to develop them as National or Regional Account. You must use your best efforts to perform services to National or Regional Accounts located in your Zone on the terms and conditions specified in the program for those National or Regional Accounts. These terms may vary from National or Regional Account to National or Regional Account depending on the situations and circumstances.

At your option, you may decide not to perform services for any one or more of the National or Regional Accounts operating in your Zone. Some National or Regional Accounts, for whatever reason, may decide that they do not want to do business with you. If that happens, we will cooperate with you to the fullest extent we deem practicable to resolve the National or Regional Account's concerns. However, if after we exercise what we believe to be reasonable efforts to rectify the problem, the National or Regional Account continues to refuse to do business with you, then we, or any other franchisee designated by us may provide services for that National or Regional Account in your Zone. We, or any franchisee designated us, may perform services for any National or Regional Account located in your Zone for whom you have declined to provide services. Neither we, nor any of our franchisees, will be liable or obligated to pay you any compensation for doing so and neither we, nor any of our franchisees, will be considered in breach of any provision of this agreement or any other agreement between the parties. You must release us and such other franchisees from any liability or obligation to you for providing services to such National or Regional Accounts. We will indemnify, defend and hold you harmless from and against any claims brought by a National or Regional Account arising out of its performance of services in your Zone.

For purposes of coordinating efforts and results of National or Regional Accounts, you must timely provide us with copies of all reports, forms and notices relating to performing services for National or Regional Accounts that we may specify from time to time. You must also coordinate with us any solicitations you conduct that may have potential for development as National or Regional Accounts. A National or Regional Account may require you to conform to certain billing terms, practices and formats. Various National or Regional Accounts may require billing and collection procedures that differ from those specified in your franchise agreement. You must comply with any of the billing and collection procedures specified in our various National or Regional Accounts. We may require that all contracts, invoices, and billings for products and services be submitted to the National or Regional Account or any other centralized billing service which we or the applicable National or Regional Account designate. If

you receive any payments from any National or Regional Account which requires centralized billing, you must immediately remit such payments directly to the centralized billing service. National or Regional Account or third party designated by us, without any deduction and endorse any checks payable to the entity which we designate. When centralized billing is required by a National or Regional Account, we will retain the continuing royalty payment and any other fees due us and remit the remaining balance to you on a semi-monthly basis. Although we will utilize commercially reasonable efforts to collect amounts due from customers, you are responsible to assist in the collection efforts. We do not warrant or guarantee collection of amounts due.

If you participate in the National or Regional Accounts Program, you must not charge greater fees for services and products which we specify as the maximum for such National or Regional Account. If the National or Regional Account contracts directly with us, then you will serve as subcontractor.

Due to the need to ensure adherence to the System Standards in performing services for National or Regional Accounts, you are eligible for assignment of National or Regional Accounts unless you are in compliance with your franchise agreement.

Buy Back Option

We have the right, at any time after the 60th month of your operation of the Franchised Business, to buy back your Franchised Business (all Zones) for a purchase price that is 5 times normalized EBITDA (earnings before income, taxes, depreciation and amortization). The buy back option is exercisable in our discretion if you are in good standing under your Franchise Agreement. The buy back provision does not apply if your Franchise Agreement is terminated or if we choose to not renew your Franchise Agreement because you were not in compliance at the time of renewal.

**ITEM 13
TRADEMARKS**

We grant to you the right to use certain trademarks, service marks and other commercial symbols in connection with the operation of your franchise. The principal trademarks we use are: “College Hunks Hauling Junk®,” “College Hunks Moving®,” “The Junk Hunk®” (our company mascot), “Let Tomorrow’s Leaders Haul Your Junk Today!®,” “Have a Junk-Free Day!®,” and “Junk Free is the Way to Be!®.” The Proprietary Marks are owned by our parent and are licensed to us by virtue of a perpetual license agreement that was entered into in 2006. This non-cancellable license agreement contains no limitations on our use of the Proprietary Marks. Our parent reserves the right to use the 1-800-Junk-USA toll free number, website and proprietary mark in businesses that operate anywhere, including within your Designated Territory

Trademark Registration

The status of the registration of the Proprietary Marks with the United States Patent and Trademark Office (“USPTO”) are as follows:

Mark	Registration Date	Registration Number	Register
College Hunks Hauling Junk	12/5/2006	3,179,220	Principal
College Hunks Hauling Junk and design	2/20/2007	3,210,015	Principal

Mark	Registration Date	Registration Number	Register
The Junk Hunk (service mark)	2/12/08	3,382,970	Principal
The Junk Hunk (trademark)	9/9/2008	3,497,491	Principal
Let Tomorrow's Leaders Haul Your Junk Today!	2/5/08	3,376,760	Principal
Have a Junk-Free Day!	2/5/08	3,376,761	Principal
Junk Free is the Way to Be!	2/5/08	3,376,759	Principal
College Hunks Moving	7/12/2011	3,993,081	Principal
Hunk Squad	9/25/12	4,214,580	Principal
1-800-Junk-USA	11/29/11	4,063,075	Principal
1-800-Junk-USA	1/22/2008	3,374,582	Supplemental

Our parent intends to file all affidavits and to renew its registrations for the Marks when they become due.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks which may be relevant to their use in this state or in any other state.

There are no agreements currently in effect which limit our right to use or to license others to use the Proprietary Marks, except for the trademark license agreement with our parent as described above.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We may defend you against any third party claim, suit or demand arising out of your use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with your Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by us. If we determine that you have not used the Proprietary Marks in accordance with your Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. In the event of any litigation relating to your use of the Proprietary Marks, you must sign any and all documents and do any acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except if this litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of your Agreement, we will reimburse you for your out-of-pocket costs in doing these acts.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks in this state or elsewhere.

You must conspicuously post a sign and include on all written materials, including advertisements, stationery, business cards, etc. and on your vehicles the following: "Independently owned and operated."

We reserve the right to modify the Proprietary Marks or substitute different proprietary marks for use in identifying the System and the businesses operating under it, at our sole discretion. If we designate any modified or substituted proprietary mark, you must implement the modified or substituted proprietary mark at your own expense.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no patents that are material to the franchise. You do not receive the right to use an item covered by a copyright, but you can use the proprietary and confidential information that is in our Operations Manual. The Operations Manual is described in Item 11 and below. Although we have not filed an application for a copyright registration for the Operations Manual, we claim a copyright and the information in it is proprietary and confidential. You must also promptly tell us when you learn about unauthorized use of this proprietary and confidential information. We are not obligated to take any action, but will respond to this information as we think appropriate.

Confidential Operations Manual

You must operate your Franchised Business according to the strict standards, methods, policies and procedures specified in the Operations Manual. One copy of the Operations Manual is loaned to you by us for the term of the Franchise Agreement after you complete our initial training program to our satisfaction. We may make the Operations Manual available electronically.

You must treat the Operations Manual, any other of our manuals which are used in the operation of your Franchised Business, and the information in them as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise give them to any unauthorized person. The Operations Manual will remain our sole property and must be kept in a secure place at the Franchised Business.

We may revise the contents of the Operations Manual, and you must comply with each new or changed standard. You must make sure that the Operations Manual is kept current at all times. In the event of any dispute as to the contents of the Operations Manual, the terms of the master copy maintained by us at our corporate office will be controlling.

Confidential Information

You must not, during the term of the Franchise Agreement or after the term of the Franchise Agreement, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to you or which you may learn because of your operation under the terms of the Franchise Agreement. Confidential information includes: (a) price lists and marketing plans and strategies; (b) proprietary computer software functions, capabilities, code, manuals, fixes, work arounds, revision plans, etc, and any proprietary equipment or products that we may develop.; (c) client lists, client identities, client contacts and client preferences (including identities and plans for approaching potential clients); and (d) leasing plans, rates and information. You may divulge this confidential information only to those of your employees who have access to and who operate your

Franchised Business. Any and all information, knowledge, know-how, techniques and other data which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

At our request, you must have your manager and any personnel having access to any of our confidential information sign agreements that say that they will maintain the confidentiality of information they receive in connection with their employment by you at your Franchised Business. The agreements must be in a form satisfactory to us, including specific identification of us as a third party beneficiary of the covenants with the independent right to enforce them and that they prohibit any direct or indirect ownership in a competing business.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

During the term of the Franchise Agreement, and at our discretion, you must attend and complete our initial training program and you (or, if you are a corporation, limited liability company or partnership, a principal or general partner of the corporation, limited liability company or partnership owning at least a 75% interest) must devote your full time and best efforts (not less than 30 hours per week) to the direct management and operation of the Franchised Business. The Franchised Business must have constant supervision by you or by a designated and approved manager who has satisfactorily completed our training program. If you will be an absentee owner or if you will not be able to commit at least 30 hours each week to the Franchised Business, you may have a manager operate your Franchised Business if we consent to it.

You must also maintain a competent, conscientious, trained staff, including a fully trained manager (which should be you). If you are an individual, we recommend that you be the fully trained manager described above. We impose no limitations as to who you may hire as the manager, except that you must comply with all applicable laws and that you must not harm the goodwill associated with the System and the Proprietary Marks (this requirement may affect who you hire as your manager).

We have the right to approve the manager after training. The manager may not need to have an equity interest in your business. The manager must attend and complete our training program, as described in Item 11. The manager and other key employees may also have to sign an agreement not to compete with businesses under the System while employed by you and for two years after their employment ends, an employee handbook prepared by you and which meets all of your local, state and federal requirements and an agreement not to reveal confidential information obtained while employed by you. See Item 17 for a description of these obligations.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the Franchised Business solely for the operation of the Franchised Business. You must keep your Franchised Business open and in normal operation for the minimum hours and days as we specify. You must not use or permit the use of the Franchised Business for any other purpose or activity at any time without first obtaining our written consent. You must operate the Franchised Business in strict conformity with the methods, standards and specifications we may require in the Operations Manual or in writing. You must not change the standards, specifications and procedures without our prior written consent.

You must perform those jobs given to you by the Call Center; you must offer only products and services specified by us; you may not change our standards and specifications without our prior written consent; and you must stop selling and offering for sale any services which we may, in our discretion, disapprove in writing at any time. We have the right to change the types of authorized services and there are no limits on our right to make changes. If we introduce a new product or service for the System and if you fail to incorporate the new product or service into your Franchised Business, we may sell these products and services in your Designated Territory and you will not earn a portion of these sales, or we may terminate your Franchise Agreement. If you receive a request for services that is not generated through the Call Center, you may not perform the requested services until you provide all applicable information to the Call Center.

In addition, you must only use the proprietary software, the supplies and suppliers that we have approved for use at your Franchised Business.

The System may periodically be supplemented, improved or modified by us. You must comply with all of our reasonable requirements concerning modifications to the System, including offering and selling new or different products or services as specified by us.

You are restricted by the Franchise Agreement, the Operations Manual and any other practice or custom with respect to the goods or services which you may offer, which must be approved by us. You are not restricted as to the clients whom you may solicit or service, subject to the provisions of Item 12.

You may not sell any competing goods or services, and you may not offer conflicting services, such as free pick-ups.

We anticipate expanding the products and services to be offered by Franchised Businesses over a period of years, which may include any product or service associated with the preparation of a commercial or residential move and the transportation of tangible items to one or multiple locations, or waste management services.

**ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

THE FRANCHISE RELATIONSHIP

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

Provision	Article in Franchise or Other Agreement	Summary
a. Length of the franchise term	Section 4.1	Five years
b. Renewal or extension of the term	Section 4.2	Additional renewal terms of 5 years each, subject to performance of contractual requirements

Provision	Article in Franchise or Other Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 4.3	Provide not less than 180 days but no more than 240 days notice, compliance and not in default with Franchise Agreement and any other agreements with us, our affiliates, subsidiaries or designees, satisfy current System standards and training requirements, satisfy all of our requests for disclosure of or access to information, on monetary obligations satisfied to us, our affiliates, subsidiaries and designees on a timely and responsible manner, sign release, and pay renewal fee. You may be asked to sign a franchise agreement with materially different terms and conditions than your original franchise agreement, but the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees. We have the right to modify your territorial boundaries on renewal if you failed to generate the minimum Continuing Royalty Fee on 3 or more occasions during the final 12 months of the term of the franchise agreement.
d. Termination by franchisee	Not Applicable	You may seek to terminate your Franchise Agreement on any ground permitted by law
e. Termination by franchisor without cause	Not Applicable	If you choose not to renew
f. Termination by franchisor with cause	Article XVII	Breach of Franchise Agreement and other grounds, including refusal of buy-out; see Article XVII for details

Provision	Article in Franchise or Other Agreement	Summary
g. "Cause" defined - curable defaults	Sections 5.6, 9.13, and 17.3	Breach of Franchise Agreement or operating manuals, failure to pay monies when due us, failure to obtain required written approvals or consents, misuse of Proprietary Marks, know how, copyrights or software, impairment of our goodwill, competitive activities, violation of or failure to comply with an state or federal law or ordinance, refusal of acceptance of our buy-out of your business, unauthorized transfer, failure to timely commence operations of your business, failure to perform services for clients, sale of an unapproved service, unsatisfactory performance, unexcused absence from franchisee convention;
h. "Cause" defined - non-curable defaults	Section 17.2	Abandonment, conviction of a felony or other criminal offense, material misrepresentation, any action that reflects materially and unfavorably on the reputation of the Franchised Business, us or the System, filing for bankruptcy or assignment for the benefit of creditors; receivership; insolvency; foreclosure; if your business is dissolved; repeated defaults; failure to satisfactorily complete training, monetary defaults.
i. Franchisee's obligations on termination/non-renewal	Article XVIII	Obligations include discontinue using confidential information and materials, return Operations Manual, payment of amounts due
j. Assignment of contract by franchisor	Section 16.1	No restriction on right to transfer
k. "Transfer" by franchisee - defined	Section 16.2	Transfer encompasses any actual or purported assignment, sale, transfer or other arrangement having the purpose or effect of shifting ownership or control interests in the Franchised Business.

Provision	Article in Franchise or Other Agreement	Summary
l. Franchisor approval of transfer by franchisee	Section 16.2	We have the right to approve transfers in writing
m. Conditions for franchisor approval of transfer	Section 16.2.1	Includes payment of money owed, non-default, sign release, transferee qualifies including satisfactorily completing training, transferee signs new agreement and payment of the transfer fee
n. Franchisor's right of first refusal to acquire franchisee's business	Article 16.4	We can match any offer
o. Franchisor's option to purchase franchisee's business	Section 18.8 Articles XXI	Upon expiration or termination, we can buy your Franchised Business. We can also purchase your Franchised Business at any time after your 60 th month of operation of the Franchised Business
p. Death or disability of franchisee	Section 16.2.2	Franchise must be assigned to approved buyer within 90 days
q. Non-competition covenants during the term of the franchise	Section 15.1	Includes prohibition on owning or operating business which sells similar services
r. Non-competition covenants after the franchise is terminated or expires	Section 15.2	Includes prohibition on owning or operating business which sells similar services for two years and located within 50 miles of any unit in the System. Not applicable to a conversion franchise
s. Modification of the agreement	Section 20.12	Must be in writing by both parties
t. Integration/merger clause	Section 20.14	Only the terms of the Franchise Agreement are binding (subject to federal law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Provided, however, nothing in the Franchise Agreement or any related agreement is intended to disclaim any representations we make in this Disclosure Document.

Provision	Article in Franchise or Other Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 20.6	Except for certain claims, all disputes must be mediated and arbitrated within 20 miles of our headquarters.
v. Choice of forum	Section 20.8	Florida, subject to state law
w. Choice of law	Section 20.7	Florida, subject to state law

**ITEM 18
PUBLIC FIGURES**

We do not use any public figure to promote our franchise.

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

Except as provided below, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Nicholas Friedman at 1513 East 9th Avenue, Tampa, Florida 33605 and (800) 586-5872, the Federal Trade Commission, and the appropriate state regulatory agencies.

Affiliate Results

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a College Hunks Hauling Junk Business or College Hunks Moving Business, except as stated below. Actual results vary from Business to Business and we cannot estimate the results of any particular franchisee.

The following represents the actual sales achieved by the College Hunks Moving and Hauling Business in Rockville, Maryland which has been in operation since 2005, and the College Hunks Moving and Hauling Business in Tampa, Florida which has been in operation since 2008 and in which our affiliate has a majority ownership interest. Both of these Businesses are operated by our affiliates. We are not representing that you can expect to achieve these sales in your first year of operation, or at any time during the term of your Franchise Agreement. Your revenues may vary significantly depending on a

number of factors, including the location of your Franchised Business and how you operate your business.

The following table presents the gross sales and primary variable costs that our affiliate realized in operating College Hunks Hauling Junk and College Hunks Moving Businesses in Rockville, Maryland and Tampa, Florida. Our affiliate operates substantially the same type of business that you will operate, but it does not operate a franchised unit. These operations are both “absentee owner” businesses, meaning that they both have full-time general managers operating the businesses.

2012				
Category	Rockville, Maryland		Tampa, Florida	
	Amount	% of Revenue	Amount	% of Revenue
Total Revenue	\$1,801,553		\$699,113	
Average Revenue Per Job	\$545.26		\$579.35	
Expenses				
Disposal Costs	\$99,628	5%	19,224	3%
Truck Labor	\$605,111	34%	\$261,808	37%
Truck Fuel	\$73,959	4%	\$32,069	5%
Truck Maintenance	\$35,846	2%	\$18,545	3%
Credit Card Fees	\$18,039	1%	\$11,385	2%
Royalty Fees	\$126,109		\$48,938	
Call Center Fee	\$108,093.18		\$41,946.78	
Brand Development Fees	\$18,015		\$6,991	
Total Expenses/ Cost of Services	\$1,084,800		\$440,907	
Total Gross Profit	\$716,753*	40%*	\$258,208*	37%*

*No franchisees achieved better results than our Rockville location and 4% or 1 of our franchisees achieved better results than our Tampa location.

2011				
Category	Rockville, Maryland		Tampa, Florida	
	Amount	% of Revenue	Amount	% of Revenue
Total Revenue	\$1,657,029.94		\$693,966.88	
Average Revenue Per Job	\$377.35		\$406.54	
Expenses				
Disposal Costs	\$105,678.54	6%	\$16,102.51	2%
Truck Labor	\$448,031.86	27%	\$208,566.12	30%
Truck Fuel	\$75,878.48	5%	\$33,705.60	5%

2011				
Category	Rockville, Maryland		Tampa, Florida	
	Amount	% of Revenue	Amount	% of Revenue
Truck Maintenance	\$49,710.90	3%	\$20,388.96	3%
Credit Card Fees	\$27,928.26	1.69%	\$10,487.67	1.51%
Royalty Fees	\$115,992.10		\$48,577.68	
Call Center Fee	\$99,421.80		\$41,638.01	
Brand Development Fees	\$16,570.30		\$6,939.67	
Total Expenses/ Cost of Services	\$939,212.24		\$386,406.22	
Total Gross Profit	\$717,817.70	43%	\$307,560.66	44%

Average Results – All Units and High and Low Results – Franchisees

The following tables reports the averages, high and low figures reported by franchisees in response to a survey we conducted

All Franchises 2012			
Category	System-wide Reported Average	Franchisee Reported High	Franchisee Reported Low
Total Revenue	\$370,630*	\$1,200,000	\$99,035
Average Job Size	\$428	\$729	\$211
Expenses (as a % of Revenue)			
Disposal Costs	5%	9%	1%
Truck Labor	26%	40%	13%
Truck Fuel	6%	9%	4%
Truck Maintenance	2.4%	5.28%	0.25%
Credit Card Fees	1.21%	2.63%	0.26%
Royalty Fee	7%	7%	7%
Customer Loyalty Center Fee	6%	6%	6%
Brand Development Fee	1%	1%	1%
Total Cost of Services	\$210,502**	693,924	51,881
Total Gross Profit	\$160,068***	\$506,076	\$47,154
Gross Profit (% of Revenue)	46% or 58%****	58%	33%

*of the 26 locations, 7 or 27% achieved better results
 **of the 26 locations, 14 or 78% achieved better results
 ***of the 26 locations, 5 or 28% achieved better results
 ****of the 26 locations reports, 15 or 58% achieved better results

All Franchises 2011			
Category	System-wide Reported Average	Franchisee Reported High	Franchisee Reported Low
Total Revenue	\$310,211.86*	\$829,332.11	\$103,190.07
Average Job Size	\$327.04	\$496.61	\$227.89
Expenses (as a % of Revenue)			
Disposal Costs	4%	11%	2%
Truck Labor	27%	42%	17%
Truck Fuel	5%	12%	5%
Truck Maintenance	Not reported	Not reported	Not reported
Credit Card Fees	Not reported	Not reported	Not reported
Royalty Fee	7%	7%	7%
Customer Loyalty Center Fee	6%	6%	6%
Brand Development Fee	1%	1%	1%
Total Cost of Services	\$153,241.92**	\$386,406.22	\$44,448.33
Total Gross Profit	\$156,969.94***	\$472,719.34	\$44,852.78
Gross Profit (% of Revenue)	51% or 50%****	66%	38%

*of the 20 locations, 3 or 15% achieved better results
 **of the 20 locations, 14 or 70% achieved better results
 ***of the 20 locations, 5 or 25% achieved better results
 ****of the 20 locations, 10 or 50% achieved better results.

The System-wide Reported Average column includes 20 locations in 2011 and 26 locations in 2012 that responded to a survey and that were in operation for all of 2011 and 2012, respectively. This includes the two locations owned by our affiliate and 18 franchisees in 2011 and 24 franchisees in 2012.

JUNK REMOVAL ONLY FRANCHISEES IN 2012			
Category	System-wide Reported Average	Franchisee Reported High	Franchisee Reported Low
Total Revenue	\$179,251*	\$357,389	\$99,035
Average Job Size	\$378	\$547	\$211
Expenses (as a % of Revenue)			
Disposal Costs	7%	9%	4%
Truck Labor	21%	38%	13%

JUNK REMOVAL ONLY FRANCHISEES IN 2012			
Category	System-wide Reported Average	Franchisee Reported High	Franchisee Reported Low
Truck Fuel	6%	9%	4%
Truck Maintenance	2%	5%	1%
Credit Card Fees	1.21%	2%	0.21%
Royalty Fee	7%	7%	7%
Customer Loyalty Center Fee	6%	6%	6%
Brand Development Fee	1%	1%	1%
Total Cost of Services	\$93,513**	\$184,520	51,881
Total Gross Profit	\$85,737***	\$182,739	\$47,154
Gross Profit (% of Revenue)	48% or 71%****	58%	33%

*of the 14 locations, 6 or 43% achieved better results

**of the 14 locations, 10 or 71% achieved better results

***of the 14 locations, 5 or 28% achieved better results

****of the 14 locations reported, 10 or 71% achieved better results.

The System-wide Reported Average column includes 14 locations in 2012 that offered only junk removal services that responded to a survey and that were in operation for all of 2012. This does not include the two locations owned by our affiliate.

FRANCHISEES OFFERING BOTH SERVICES IN 2012			
Category	System-wide Reported Average	Franchisee Reported High	Franchisee Reported Low
Total Revenue	\$593,926*	\$1,200,000	\$170,000
Average Job Size	\$487	\$729	\$313
Expenses (as a % of Revenue)			
Disposal Costs	4%	6%	1%
Truck Labor	31%	40%	23%
Truck Fuel	6%	9%	4%
Truck Maintenance	2%	5%	0.25%
Credit Card Fees	1.21%	2.63%	0.32%
Royalty Fee	7%	7%	7%
Customer Loyalty Center Fee	6%	6%	6%
Brand Development Fee	1%	1%	1%
Total Cost of Services	\$347,140**	693,924	84,700

FRANCHISEES OFFERING BOTH SERVICES IN 2012			
Category	System-wide Reported Average	Franchisee Reported High	Franchisee Reported Low
Total Gross Profit	\$246,787***	\$506,076	\$85,300
Gross Profit (% of Revenue)	42% or 42%****	51%	36%

*of the 12 locations, 5 or 42% achieved better results

**of the 12 locations, 9 or 75% achieved better results

***of the 12 locations, 5 or 42% achieved better results

****of the 12 locations reported, 5 or 42% achieved better results.

The System-wide Reported Average column includes 12 locations in 2012 that offered both junk removal services and moving services that responded to a survey and that were in operation for all of 2012. The 12 franchises responding represent 35% (12/34) of all franchisees that were open and in operation for all of 2012. This does not include the two locations owned by our affiliate nor 10 franchisees that just opened for business in 2012.

For the franchisee high and low results, the same franchise is not necessarily represented for each line item, meaning that all of the high end results may not be from the same franchise, and all of the low end results may not be from the same franchise.

No other outlets in the System have earned as much as the Rockville, Maryland location. Your individual results may differ. There is no assurance that you'll earn as much.

The figures used in this statement are total revenue and direct costs. The expenses reflected in the charts above do not include fixed costs, such as supplies, marketing, office staff or managers, professional fees, office expenses, rent, insurance, discretionary expenses or owner compensation. These types of expenses vary greatly by location. Net income will vary from Business to Business depending upon these expenses and other costs relating to the operation of the Business. Expenses will also vary greatly depending on whether you offer moving services, hauling services, or both; and profitability of the franchise may vary depending on which services(s) you are offering.

We offered substantially the same services to the Business described in this Statement. This Business offered substantially the same products and services to the public as you will.

The Businesses report gross receipts information to us based upon a uniform reporting system.

We strongly urge you to consult with your financial advisor or personal accountant concerning the financial analysis that you should make in determining whether or not to purchase a College Hunks Hauling Junk and/or College Hunks Moving franchise.

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request. The information presented above has not been audited.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1
**Systemwide Outlet Summary
For Years Ending December 31, 2010, 2011 and 2012**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2010	21	28	+7
	2011	28	35	+7
	2012	35	40	+5
Company-Owned*	2010	3	3	0
	2011	3	2	-1
	2012	2	2	0
Total Outlets	2010	24	31	+7
	2011	31	37	+6
	2012	37	42	+5

* The Company-Owned Outlets in the chart above include Outlets that are owned and operated by our affiliates.

Table No. 2
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years Ending December 31, 2010, 2011 and 2012**

State	Year	Number of Transfers
Arizona	2010	1
	2011	0
	2012	1
Arkansas	2010	0
	2011	0
	2012	0
California	2010	0
	2011	0
	2012	0
Colorado	2010	0
	2011	0
	2012	0
Florida	2010	0
	2011	0

State	Year	Number of Transfers
	2012	1
Georgia	2010	0
	2011	0
	2012	0
Illinois	2010	0
	2011	0
	2012	0
Indiana	2010	0
	2011	0
	2012	0
Kentucky	2010	0
	2011	0
	2012	0
Maryland	2010	0
	2011	0
	2012	0
Massachusetts	2010	0
	2011	0
	2012	0
Michigan	2010	0
	2011	0
	2012	0
Missouri	2010	0
	2011	0
	2012	0
New Jersey	2010	0
	2011	0
	2012	0
New York	2010	0
	2011	0
	2012	0
North Carolina	2010	0
	2011	0
	2012	0
Ohio	2010	0

State	Year	Number of Transfers
	2011	0
	2012	0
Pennsylvania	2010	0
	2011	0
	2012	0
Tennessee	2010	0
	2011	0
	2012	1
Texas	2010	0
	2011	0
	2012	0
Virginia	2010	0
	2011	0
	2012	0
Total	2010	1
	2011	0
	2012	3

Table No. 3
Status of Franchised Outlets
For Years Ending December 31, 2010, 2011 and 2012

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Arizona	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Arkansas	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
California	2010	2	1	0	0	0	0	3
	2011	3	0	0	0	0	0	3
	2012	3	1	0	0	0	0	4
Colorado	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Florida	2010	1	2	0	0	0	0	3
	2011	3	0	0	0	0	0	3
	2012	3	0	0	0	0	0	3
Georgia	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Illinois	2010	1	1	0	0	0	0	2
	2011	2	1	1	0	0	0	2
	2012	2	0	0	0	0	0	2
Indiana	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	1	1	0	0	0	1
Kansas	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Kentucky	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	1	0	0	0	0	2
Maryland	2010	3	0	0	0	0	0	3
	2011	3	0	0	0	0	0	3
	2012	3	0	1	0	0	0	2
Massachusetts	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Michigan	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Mississippi	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
	2012	0	1	0	0	0	0	1
Missouri	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
New Jersey	2010	1	1	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
New York	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
	2012	1	1	0	0	0	0	2
North Carolina	2010	1	0	0	0	1	0	0
	2011	0	2	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Ohio	2010	2	0	0	0	0	0	2
	2011	2	1	0	0	0	0	3
	2012	3	1	0	0	0	0	4
Pennsylvania	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	1	0	0	0	0	2
Tennessee	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Texas	2010	2	1	1	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	1	1	0	0	0	2
Virginia	2010	1	1	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Total	2010	21	9	1	0	1	0	28
	2011	28	8	1	0	0	0	35
	2012	35	8	3	0	0	0	40

Table No. 4
**Status of Company-Owned and Affiliate-Owned Outlets
For Years Ending December 31, 2010, 2011 and 2012**

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
California	2010	1	0	0	0	1	0
	2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0
Florida	2010	1	0	0	0	0	1
	2011	1	0	0	0	0	1
	2012	1	0	0	0	0	1
North Carolina	2010	0	0	1	0	0	1
	2011	1	0	0	0	1	0
	2012	0	0	0	0	0	0
Washington, DC	2010	1	0	0	0	0	1
	2011	1	0	0	0	0	1
	2012	1	0	0	0	0	1
Total	2010	3	0	1	0	1	3
	2011	3	0	0	0	1	2
	2012	2	0	0	0	0	2

The outlets in the above chart are owned and operated by our affiliates. We have included the Tampa, Florida business that is partially owned by our affiliate and 40% owned by Faisal Ansari, a Franchisee.

Table No. 5
Projected Openings as of December 31, 2012

State	<i>Franchise Agreements Signed but Outlet Not Opened</i>	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	1	0
California	0	1	0
Florida	1	1	0
Georgia	0	1	0

State	<i>Franchise Agreements Signed but Outlet Not Opened</i>	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Illinois	0	1	0
Louisiana	0	1	0
Maryland	0	1	0
Massachusetts	0	1	0
Michigan	1	1	0
Minnesota	0	1	0
Missouri	0	1	0
Nevada	0	1	0
New Jersey	0	1	0
New Mexico	0	1	0
North Carolina	0	1	0
Ohio	0	1	0
Oklahoma	1	1	0
Oregon	0	1	0
Pennsylvania	0	1	0
South Carolina	0	1	0
Texas	0	1	0
Utah	0	1	0
Virginia	0	1	0
Washington	0	1	0
Wisconsin	0	1	0
Total	3	25	0

The table represents potential franchisees for the System. It does not take into account whether a franchisee purchases multiple Zones.

A list of the names of all franchisees and the addresses and telephone numbers of their businesses is provided in Exhibit “E” to this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of the 6 franchisees who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document are listed on Exhibit “F” to this Disclosure Document. **If you**

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

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the College Hunks Hauling Junk and College Hunks Moving System.

There are no trademark-specific organizations formed by our franchisees that are associated with the College Hunks Hauling Junk and College Hunks Moving System.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit “H” are our audited financial statements for the periods ended December 31, 2010, 2011, and 2012. Our unaudited balance sheet and income statement for the period ended March 31, 2013 is also attached as Exhibit “H.”

Our fiscal year end is December 31st.

ITEM 22 CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Form of General Release	Exhibit B
Franchise Agreement (“FA”) with Exhibits	Exhibit C
<i>Conditional Assignment of Telephone Numbers and Listing and Internet Addresses</i>	<i>Exhibit C to FA</i>
<i>Principal Owners Guaranty</i>	<i>Exhibit D to FA</i>
<i>Form of Conditional Assignment of Service Vehicle Lease</i>	<i>Exhibit E to FA</i>
<i>Authorization Agreement for Prearranged Payments</i>	<i>Exhibit F to FA</i>
<i>Transfer of Franchise to Corporation or Limited Liability Company</i>	<i>Exhibit G to FA</i>
<i>Promissory Note and Individual Guaranty of Promissory Note</i>	<i>Exhibit H to FA</i>
Franchisee Disclosure Acknowledgment Statement	Exhibit I
Deposit Agreement	Exhibit J

ITEM 23 RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS/STATE ADMINISTRATORS

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

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
California	Department of Corporations <i>Los Angeles</i> 320 West 4 th Street Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500 <i>Sacramento</i> 1515 K Street Suite 200 Sacramento, CA 95814-4052 (916) 445-7205 <i>San Diego</i> 1350 Front Street, Room 2034 San Diego, CA 92101-3697 (619) 525-4233 <i>San Francisco</i> One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, Indiana 46204 (317) 232-6681	

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Maryland	Maryland Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-7042	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Market Assurance Division 85 7 th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-6328	
New York	New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8211	Secretary of State The Division of Corporations One Commerce Plaza 99 Washington Avenue Albany, NY 12231-0001
North Dakota	Office of Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, ND 58505-0510 (701) 328-4712	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920-4407 (401) 462-9527	

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
South Dakota	Division of Securities 445 East Capitol Avenue Pierre, SD 57501-3185 (605) 773-4823	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, Wisconsin 53701 (608) 266-2801	

EXHIBIT B TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDUM

EXHIBIT B

ADDENDUM TO THE CHHJ FRANCHISING L.L.C. DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.
2. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
3. The Franchise Agreement contains covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a Disclosure Document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
6. The Franchise Agreement requires binding arbitration. The arbitration will occur in Florida with the costs being borne by the franchisee and franchisor. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The Franchise Agreement requires application of the laws of Florida. This provision may not be enforceable under California law.
8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. **THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.**
10. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

12. OUR WEBSITE, www.collegehunkshaulingjunk.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at www.corp.ca.gov.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

CHHJ FRANCHISING L.L.C.

By: _____

Name: _____

Title: _____

FRANCHISEE:

EXHIBIT B

ADDENDUM TO THE CHHJ FRANCHISING L.L.C. DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND DEPOSIT AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

1. We will defer the payment of the initial franchise fee and any other initial payment until all of our material pre-opening obligations have been satisfied. The initial franchise fee is deferred until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training. This deferral has been imposed by the Illinois Attorney General's Office based on the Franchisor's financial condition.

2. The following item is required to be included within the Disclosure Document and shall be deemed to supersede the language that is in the Disclosure Document itself:

Section 4 of the Illinois Franchise Disclosure Act ("**Act**") dictates that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State." Therefore, the Act supersedes any contrary provisions contained in the Franchise Agreement.

3. Illinois law governs the Franchise Agreement.

4. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuits filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code." The appropriate sections of Franchise Agreement is amended accordingly.

5. Under Illinois law, a franchise agreement may not provide for a choice of law of any state other than Illinois. Accordingly, Items 17(v) and (w) are amended to state "Illinois." The appropriate sections of Franchise Agreement is amended accordingly.

6. Section 19, Termination of a Franchise, of the Illinois Franchise Disclosure Act of 1987 ("**Act**") subsection (a) states that "It shall be a violation of this Act for a franchisor to terminate a franchise of a franchised business located in this State prior to the expiration of its term except for "good cause" as provided in subsection (b) and (c) of this Section." Items 12 and 17 (o) of the Franchise Disclosure Document and Section 18.8 of the Franchise Agreement are amended to state that Franchisor or its designee shall have the option to purchase Franchisee's franchised business only if the Franchise Agreement was terminated for "good cause" or upon expiration of its term.

7. Section 20.13 of the Franchise Agreement is amended to comply with Section 27 of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee or Franchisee's operation of the Franchise brought by Franchisee against Franchisor shall be commenced within three (3) years from the occurrence of the facts giving rise to such claim or action, within one (1) year after the Franchisee becomes aware of the facts or circumstances indicating Franchisee may have a claim for relief, or ninety (90) days after delivery to Franchisee of a written notice disclosing the violation, or such claim or action will be barred.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

CHHJ FRANCHISING L.L.C.

By: _____

Name: _____

Title: _____

FRANCHISEE:

EXHIBIT B

**STATE ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT
FOR THE STATE OF INDIANA**

1. To be added to Item 3 of the Disclosure Document is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.
2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.
3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).
4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Articles 20.7 and 20.8 of the Franchise Agreement.
5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

CHHJ FRANCHISING L.L.C.

By: _____
Name: _____
Title: _____

FRANCHISEE:

EXHIBIT B

**ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

This will serve as the State Addendum for CHHJ Franchising LLC for the State of Maryland for College Hunks Hauling Junk Disclosure Document and for its Franchise Agreement. The amendments to the Franchise Agreement included in this addendum have been agreed to by the parties.

1. We will defer the payment of the initial franchise fee and any other initial payment until all of our material pre-opening obligations have been satisfied. The initial franchise fee is deferred until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

2. The provision contained in the termination sections of the Franchise Agreement may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

3. Item 11 of the Disclosure Document shall be amended to state that a franchisee may obtain an accounting of the advertising fund as required by the Maryland Franchise Registration and Disclosure Law, by requesting same in a written request to Franchisor.

4. Item 17 of the Disclosure Document shall be amended at the sections dealing with the issuance of general releases to the effect that the general release required as a condition of renewal and/or assignment/transfer are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law. The appropriate sections of the Franchise Agreement is hereby deemed to be amended accordingly.

5. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Any disclaimer regarding the occurrence and/or acknowledgment of the non-occurrence of acts that would constitute a violation of the Franchise Law in order to purchase the franchise are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The Franchisee Disclosure Acknowledgment Statement, Exhibit H to the Disclosure Document, and the Franchise Agreement are amended to comply with this provision.

6. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

CHHJ FRANCHISING L.L.C.

By: _____
Name: _____
Title: _____

FRANCHISEE:

FORM OF GENERAL RELEASE

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20__ by and between CHHJ FRANCHISING L.L.C., a Delaware limited liability company having its principal place of business located at 1513 East 9th Avenue, Tampa, Florida 33605 (the "Franchisor"), and _____ residing at _____ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. Release by Releasor:

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Florida law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Florida.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

RELEASOR:

EXHIBIT B

ADDENDUM TO DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ___ day of _____, 20___, and effectively amends and revises said Disclosure Document, Franchise Agreement as follows:

1. Item 13 of the Disclosure Document and the appropriate sections of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

“Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Stat. Sec. 80c.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 non-renewal of the Disclosure Document.”

3. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreements 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 jurisdiction.”

4. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. The Franchise Agreement is hereby amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. The Franchise Agreement is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5 regarding Limitations of Claims.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

CHHJ FRANCHISING L.L.C.

By: _____

Name: _____

Title: _____

FRANCHISEE:

EXHIBIT B

**ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
DISCLOSURE DOCUMENT
REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK**

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

3. **LITIGATION**

Neither the Franchisor, its Predecessor nor any person listed under Item 2 or an affiliate offering franchises under Franchisor's principal trademark:

- (A) 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) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten 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; anti-fraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; unfair or deceptive practices; or comparable allegations.
- (C) 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.

4. **BANKRUPTCY**

Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the ten year period immediately before the date of the Disclosure Document: (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 one year after the officer or general partner of the Franchisor held this position in the company or partnership.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

CHHJ FRANCHISING L.L.C.

By: _____

Name: _____

Title: _____

FRANCHISEE:

EXHIBIT B

**ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF RHODE ISLAND**

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

“A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

CHHJ FRANCHISING L.L.C.

By: _____

Name: _____

Title: _____

FRANCHISEE:

EXHIBIT B TO THE DISCLOSURE DOCUMENT

**ADDENDUM TO THE CHHJ FRANCHISING, L.L.C.
DISCLOSURE DOCUMENT REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for CHHJ Franchising, L.L.C. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h:

Pursuant to 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 do not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

CHHJ FRANCHISING L.L.C.

By: _____
Name: _____
Title: _____

FRANCHISEE:

EXHIBIT B

**ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF WASHINGTON**

We will defer the payment of the initial franchise fee and any other initial payment until all of our material pre-opening obligations have been satisfied. The initial franchise fee is deferred until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

The State of Washington has a statute, RCW 19.100.180, which 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 involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, 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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

CHHJ FRANCHISING L.L.C.

By: _____

Name: _____

Title: _____

FRANCHISEE:

EXHIBIT C TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

CHHJ FRANCHISING L.L.C.

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

- Standard Franchise – College Hunks Hauling Junk®
- Standard Franchise – College Hunks Moving®
- Combination College Hunks Hauling Junk® and College Hunks Moving®
- Small Market Franchise
- Conversion Franchise

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- A LOCATION OF FRANCHISE AND ZONES EMCOMPASSING THE DESIGNATED TERRITORY
- B EMPLOYEE NON-COMPETITION AND NON-DISCLOSURE AGREEMENT
- C CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTING AND INTERNET ADDRESSES
- D PRINCIPAL OWNERS GUARANTY
- E CONDITIONAL ASSIGNMENT OF SERVICE VEHICLE LEASE
- F AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
- G TRANSFER OF FRANCHISE TO A CORPORATION OR LIMITED LIABILITY COMPANY
- H PROMISSORY NOTE AND INDIVIDUAL GUARANTY OF PROMISSORY NOTE

CHHJ FRANCHISING L.L.C.

FRANCHISE AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of _____, 20__ between CHHJ Franchising L.L.C., a Delaware limited liability company with its principal office at 1513 East 9th Avenue, Tampa, Florida 33605 (the “**Franchisor**”), and _____ whose principal address is _____, an individual /partnership /corporation formed or incorporated in the State of _____, who will act under this Agreement under the approved trade names College Hunks Hauling Junk® and/or College Hunks Moving® (the “**Franchisee**”).

W I T N E S S E T H:

WHEREAS, the Franchisor has developed a format and system (the “**System**”) of uniform standards, methods, merchandising, and advertising for the operation of franchises that will provide junk removal services, including picking up unwanted items from residential or commercial clients and taking it to the appropriate landfill or transfer station for appropriate disposal or recycling, the provision of moving services, and the sale of products and services related thereto (the “**Franchised Business**”) using the Franchisor’s website, trade name, trademarks and service marks of College Hunks Hauling Junk® and College Hunks Moving®, and phone number (collectively, the “**Proprietary Marks**”);

WHEREAS, the Franchisee desires to enter into the business of owning and operating a Franchised Business in accordance with the System and wishes to obtain a franchise from the Franchisor for that purpose, as well as to receive the training and other assistance provided by the Franchisor in connection therewith;

WHEREAS, the Franchisee understands and acknowledges the importance of, and benefits to be derived from, the System, as well as the Franchisor’s high standards of quality and service and the necessity of operating the Franchised Business hereunder in conformity with the Franchisor’s standards and specifications;

WHEREAS, the Franchisee desires to obtain a franchise to use the System and the Proprietary Marks at the location described in Exhibit “A” hereto, pursuant to the provisions hereof, and Franchisee has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of his/her own choosing and represents and warrants that he/she has the business experience and financial ability to operate a Franchised Business;

WHEREAS, the Franchisee acknowledges that Franchisee has read this Agreement and Franchisor’s Disclosure Document and that Franchisee understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain uniform high standards of quality at all locations and to protect the goodwill of the Proprietary Marks;

WHEREAS, the Franchisor expressly disclaims the making of any warranty or guarantee, expressed or implied, oral or written, regarding the potential revenues, profits or success of the business venture contemplated by this Agreement;

WHEREAS, the Franchisee acknowledges that he/she has no knowledge of, nor has received nor relied upon, any representations or warranties by Franchisor, its officers, directors, shareholders or representatives about the franchise offered hereunder, about Franchisor or its franchising programs and policies that are contrary to the statements in Franchisor’s Disclosure Document or to the terms of this

Agreement, or regarding the potential revenues, profits or success of the business venture contemplated hereunder; and

WHEREAS, the Franchisee acknowledges that this Agreement places detailed and substantial obligations on Franchisee, including strict adherence to Franchisor's reasonable present and future requirements regarding facilities, equipment, suppliers, operating procedures, management protocols and procedures, merchandising strategies, sales promotion programs and related matters. Franchisee acknowledges that future improvements, changes and developments in the System may require additional expense to be undertaken by Franchisee.

BEFORE SIGNING THIS AGREEMENT, FRANCHISEE SHOULD READ IT CAREFULLY WITH ASSISTANCE OF LEGAL COUNSEL.

NOW, THEREFORE, for and in consideration of the mutual undertakings, covenants, premises and commitments contained hereinabove and below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **IT IS AGREED**, as follows:

ARTICLE I **DEFINITIONS**

1.1 In addition to any other terms defined in this Agreement, the following definitions shall govern this Agreement:

1.1.1 **"Agreement"** means this document, including all exhibits hereto, as they may be modified from time to time, and documents referenced and incorporated herein, and any documents or agreements modifying the System.

1.1.2 **"Copyrights"** means all work rendered in a tangible medium of expression as defined under U.S. Copyright Law, 17 U.S.C. Sec. 101, *et seq.*, that relates to the Franchised Business, whether published or unpublished, whether confidential or not, whether created by Franchisor or one (1) or more of its franchisees, assigned hereunder to and owned by Franchisor and licensed for use by Franchisee as part of the Franchised Business under this Agreement, including without limitation, the Confidential Operations Manual.

1.1.3 **"Call Center"** means the call center operated by Franchisor or its designee which will receive and distribute requests for Services via a toll-free telephone number and other methods, such as e-mail.

1.1.4 **"Designated Territory"** means the exclusive territory granted to Franchisee encompassing contiguous Zones as shown on Exhibit "A" hereto, as such Exhibit may be amended from time to time.

1.1.5 **"Franchised Business"** means the System as licensed to the Franchisee hereunder to use from within Franchisee's Designated Territory.

1.1.6 **"Know How"** means Franchisor's: (a) trade secrets and know-how, whether existing now or created during the term of this Agreement by Franchisor and/or one (1) or more of its franchisees (and assigned back to Franchisor), as conveyed to Franchisee, that relates to, *inter alia*, Franchisor's services and/or processes, marketing practices, and business methods, affairs, tools and techniques, as well as including its client or prospective client lists and trade relationships including

pricing information, which tends to give Franchisor and its network of franchisees a competitive edge over others who provide the same or similar products or services in the field of junk removal and moving services; (b) inventions that may be protected by the filing of U.S. patent applications under Title 35 of the United States Code and/or foreign statutory counterparts; and (c) all unpublished or otherwise confidential work that has been rendered and “work made for hire” protected under Title 17 of the United States Code and other applicable foreign copyright statutes. Know How need not take the form of any particular tangible medium of expression, but may also be found or contained in the form of records, magnetic media, papers, photographs, catalogs, books, cassettes, videotapes, computer files, or stored or fixed on computer hard or soft disks or diskettes.

1.1.7 “**Proprietary Marks**” means all the trademarks, service marks, logos, emblems, and indicia of origin licensed to and used or contemplated to be used by Franchisor and/or one (1) or more of its franchisees, including, but not limited to, the trade dress, the marks College Hunks Hauling Junk®, The Junk Hunk® logo, Let Tomorrow’s Leaders Haul Your Junk Today!®, Have a Junk-Free Day!®, Junk Free is the Way to Be!®, College Hunks Moving® and other such trade names, service marks and trademarks as may be designated now or hereafter by the Franchisor.

1.1.8 “**Proprietary Properties**” means the Copyrights, Know How, Proprietary Marks and Software.

1.1.9 “**Services**” means the provision of junk removal services (including picking up unwanted items from residential or commercial clients and taking it to the appropriate landfill or transfer station for appropriate disposal or recycling), moving services (including packing boxes for customers as well as sales of boxes and packing materials) and any other services approved by Franchisor to be offered by Franchisee to its clients. At this time, Services specifically exclude regular trash routes or hauling of liquids, gases, or flammable or hazardous waste.

1.1.10 “**Service Vehicle**” means the truck with custom designed dump body Franchisee is required to obtain by lease or purchase and maintain for use in the operation of the Franchised Business, as well as any truck(s) to be used for the provision of moving services.

1.1.11 “**Software**” means the computer software (including all patches, modifications and updates and including proprietary software designated by Franchisor) provided to the Franchisee under this Agreement by which the Franchisee downloads and uploads information relevant to the Franchised Business.

1.1.12 “**Zone**” means a specified area which is purchased by Franchisee and within which the Franchised Business will be operated. A standard Zone will contain a population of between two hundred fifty thousand (250,000) and four hundred thousand (400,000) persons, and a “small market” Zone will contain a population of between four thousand (4,000) and two hundred forty-nine thousand (249,000) persons.

ARTICLE II

GRANT OF FRANCHISE AND LICENSE

2.1 Subject to the provisions of this Agreement and all documents or other agreements ancillary thereto (the “**Agreement**”):

2.1.1 Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, the franchise and license to operate a Franchised Business within the Designated Territory as shown on

Exhibit “A” hereto, as such Exhibit may be modified from time to time, in accordance with Franchisor’s specifications and subject to Franchisor’s approval. The Designated Territory, as described on Exhibit “H” hereto, may be modified if Franchisee purchases additional Zones, or if Franchisee fails to meet the minimum royalty fee requirement described in Section 8.2.2 below and Franchisor exercises its right to reduce Franchisee’s Designated Territory as described in Section 8.2.3 below.

2.1.2 Franchisee agrees to use the Proprietary Properties solely for the Franchised Business and for no other purpose.

2.1.3 If Franchisee elects to purchase the right to operate a College Hunks Hauling Junk® business or a College Hunks Moving® business, but not both, then Franchisee understands and acknowledges that in such event Franchisor shall have the right, to be exercised in its sole discretion, to sell a franchise within Franchisee’s Designated Territory for the concept that Franchisee has elected to not purchase. If Franchisee is in good standing under this Agreement, Franchisor will notify Franchisee of the proposed sale of the other concept and Franchisee shall have ten (10) days after Franchisor’s notice to purchase the other concept. If Franchisee does not, then Franchisor may sell the concept to the other franchisee. If Franchisee is not in good standing under this Agreement, Franchisee will not be offered the opportunity to purchase the other concept.

ARTICLE III

FRANCHISEE RESTRICTIONS AND FRANCHISOR’S RESERVED RIGHTS

3.1 Franchisee’s Restrictions

Franchisee’s activities are limited to offering and selling those Services permitted under the System from the Designated Territory. Franchisee has been granted no right of ownership in and/or to any part or all of the Proprietary Properties.

3.2 Rights Reserved to Franchisor

Franchisor reserves the right: (i) of ownership in, and control over the Proprietary Properties; (ii) to grant additional franchises, whether similar or dissimilar to the franchise granted hereby, anywhere it deems reasonably appropriate, subject to the limitations set forth below; (iii) to engage fully and freely and without limitation in each and every aspect of the business of selling related services, products and equipment; (iv) to offer to the public-at-large, separately, jointly or with others, all related services and/or products of every type and kind; and (iv) to employ and exploit the Proprietary Marks, Copyrights, Know How, and Software in connection therewith.

Franchisor (and any affiliates that Franchisor periodically might have) reserves the right:

(a) to establish and operate, and grant rights to other franchise owners to establish and operate, Franchised Businesses or similar businesses at any locations outside of the Designated Territory and on any terms and conditions Franchisor deems appropriate;

(b) to sell any junk removal, moving and related services identical or similar to, or dissimilar from, those Franchisee’s Franchised Business sells, whether identified by the Proprietary Marks or other trademarks or service marks through any distribution channels Franchisor thinks best (including the Internet) located or operating inside or outside of the Designated Territory that do not use the Proprietary Marks;

(c) to sell any junk removal, moving and related services through any distribution channels Franchisor thinks best (including, but not limited to, the Internet), located or operating outside of the Designated Territory;

(d) to purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to the Franchised Business (and/or enter into franchise, license, and/or similar agreements for such businesses), some or all of which might be located within the Designated Territory;

(e) to be acquired (regardless of the form of transaction) by a business identical or similar to College Hunks Hauling Junk® or College Hunks Moving®, even if the other business operates, franchises and/or licenses competitive businesses anywhere; provided, however, that in the event of a sale or merger by Franchisor with a competitive franchise network, chain or other business, and if such sale or merger would result in a competing business being located in Franchisee's Designated Territory, Franchisee shall have the option, to be exercised within thirty (30) days after notice from Franchisor concerning such sale or merger, to request that Franchisor buy back the Franchised Business according to the terms and conditions set forth in Article XXII below; and

(f) to engage in any other business activities not expressly prohibited by this Agreement, anywhere.

3.3 National or Regional Account

Franchisor may develop a National or Regional Accounts program for the benefit of all Franchised Businesses. A "National or Regional Account" means any client that has employees or offices in two (2) or more locations and in more than one (1) Zone, or which qualifies for corporate pricing for commercial services. The locations of some of the National or Regional Accounts may be in your Zone and they may have locations in other Zones. Accordingly, regardless of any contrary provision of this Agreement, the parties agree as follows:

(a) **Territorial Rights:** Franchisee agrees that Franchisor may solicit customers located in Franchisee's Zone, whether or not Franchisee currently provide services to them, in order to develop them as National or Regional Account.

(b) **Best Efforts:** Franchisee must use its best efforts to perform services to National or Regional Accounts located in its Zone on the terms and conditions specified in the program for those National or Regional Accounts. These terms may vary from National or Regional Account to National or Regional Account depending on the situations and circumstances.

(c) **Alternative Services:** At Franchisee's option, it may decide not to perform services for any one or more of the National or Regional Accounts operating in its Zone. In addition, Franchisee recognizes that some National or Regional Accounts, for whatever reason, may decide that they do not want to do business with Franchisee. If that happens, Franchisor will cooperate with Franchisee to the fullest extent Franchisor deems practicable to resolve the National or Regional Account's concerns. However, if after Franchisor exercises what it believes to be reasonable efforts to rectify the problem, the National or Regional Account continues to refuse to do business with Franchisee, then Franchisee agrees that Franchisor or any other franchisee designated by the Franchisor may provide services for that National or Regional Account in Franchisee's Zone. Franchisee also agrees that Franchisor or any franchisee designated by Franchisor may perform services for any National or Regional Account located in Franchisee's Zone for whom Franchisee has declined to provide services. Neither Franchisor nor any of its franchisees will be liable or obligated to pay Franchisee any compensation for

doing so and neither Franchisor nor any of its franchisees will be considered in breach of any provision of this agreement or any other agreement between the parties. Franchisee release Franchisor and such other franchisees from any liability or obligation to Franchisee for providing services to such National or Regional Accounts. Franchisor will indemnify, defend and hold Franchisee harmless from and against any claims brought by a National or Regional Account arising out of its performance of services in Franchisee's Zone.

(d) **Billing Reports and Forms:** For purposes of coordinating efforts and results of National or Regional Accounts, Franchisee must timely provide Franchisor with copies of all reports, forms and notices relating to performing services for National or Regional Accounts that Franchisor may specify from time to time. Franchisee also agrees to coordinate with Franchisor any solicitations Franchisee conducts that may have potential for development as National or Regional Accounts. A National or Regional Account may require Franchisee to conform to certain billing terms, practices and formats. Franchisee recognizes that various National or Regional Accounts may require billing and collection procedures that differ from those specified in this Agreement. Franchisee is required to comply with any of the billing and collection procedures specified in Franchisor's various National or Regional Accounts. For example, Franchisor may require Franchisee to participate in a centralized billing and collection procedure through which all billing for a National or Regional Account will be conducted through a centralized billing service or through the National or Regional Account. Accordingly, Franchisor may require that all contracts, invoices, and billings for products and services be submitted to the National or Regional Account or any other centralized billing service which Franchisor or the applicable National or Regional Account designates. If Franchisee receives any payments from any National or Regional Account which requires centralized billing, Franchisee must immediately remit such payments directly to the centralized billing service, National or Regional Account or third party designated by Franchisor, without any deduction and endorse any checks payable to the entity which Franchisor designates. When centralized billing is required by a National or Regional Account, the Franchisor will retain the continuing royalty payment and any other fees due it and remit the remaining balance to the Franchisee on a semi-monthly basis. Although the Franchisor will utilize commercially reasonable efforts to collect amounts due from customers, Franchisee understands that it is also responsible to assist in the collection efforts. Franchisor does not warrant or guarantee collection of amounts due.

(e) **Pricing:** If Franchisee participates in the National or Regional Accounts Program, Franchisee agrees not to charge greater fees for services and products which Franchisor specifies as the maximum for such National or Regional Account. If the National or Regional Account contracts directly with the Franchisor, then Franchisee will serve as subcontractor.

(f) **Eligibility:** Due to the need to ensure adherence to the System Standards in performing services for National or Regional Accounts, Franchisee will not be eligible for assignment of National or Regional Accounts unless it is in compliance with this Agreement.

3.4 Franchisee's Right of First Refusal

If, during the term of this Agreement, a prospective franchisee wishes to purchase a Zone (or portion thereof) that is contiguous to any Zone in Franchisee's Designated Territory, Franchisor shall offer Franchisee the opportunity to purchase such Zone (or portion thereof). Franchisee shall notify Franchisor within five (5) days of such offer whether Franchisee will purchase the additional Zone, and Franchisee must be able to complete the purchase within fifteen (15) days. Notwithstanding the foregoing, Franchisor reserves the right to either not offer Franchisee such right of first refusal or to deny Franchisee the opportunity to purchase the additional Zone if Franchisee does not meet Franchisor's then-current criteria for purchasing an additional Zone. In the event that such Zone is contiguous to two (2)

separate franchisees' territories, then the right of first refusal option described herein will be evaluated by Franchisor on a case by case basis, and Franchisor will consider and give priority to the franchisee with the higher Gross Sales, cash reserves and shareholders or members equity on its balance sheet, as well as overall contribution to Franchisor's brands.

ARTICLE IV

TERM AND RENEWAL

4.1 Term

The term of this Agreement shall be five (5) years commencing on the date hereof, unless sooner terminated in accordance with the provisions of this Agreement (the "**Initial Term**").

4.2 Renewal Term

If Franchisee shall have complied with the conditions for renewal set forth in Section 4.3 below, Franchisee shall have the right, but not the obligation, to enter into a renewal Franchise Agreement for an additional term of five (5) years (the "**Renewal Term**"). After the Renewal Term, any subsequent renewals are governed by the renewal franchise agreement described in Section 4.4. below.

4.3 Requirements for Renewal

Franchisee's right to enter into the Renewal Term is contingent upon Franchisee's fulfillment of the following conditions:

4.3.1 Upon Franchisee's exercise of such right and at the commencement of any Renewal Term, Franchisee shall have fully performed all of his/her obligations under the Agreement and not failed to generate the revenue required to meet the minimum Continuing Royalty Fee due on three (3) or more occasions during the final twelve (12) months of the Initial Term.

4.3.2 Franchisee, at the commencement of a Renewal Term, shall satisfy: (i) Franchisor's then-current standards applicable to the System; (ii) the requirements of the then-current Franchise Agreement and all other agreements ancillary thereto; (iii) Franchisor's training requirements, including Franchisee's demonstrable ability to perform all services which are part of the System at the time of renewal; (iv) the training and other standards set forth in Franchisor's then-current Confidential Operations Manual (the "**Manual**"); and (v) Franchisor's requests for disclosure of or access to information requested by Franchisor to evaluate Franchisee's ability to perform.

4.3.3 Franchisee shall not be in default of any provision of this Agreement or any other agreement with Franchisor, its affiliates, subsidiaries, and designees, if any.

4.3.4 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.

4.3.5 Franchisee and Franchisor shall have executed a mutual general release of any and all present as well as future claims against the parties and their affiliates, subsidiaries, and designees, if any, and their respective officers, directors, shareholders, agents, contractors, and employees, in their corporate and individual capacities, arising out of or related to the Agreement.

4.3.6 Franchisee shall be in compliance with Franchisor's then-current qualification and training requirements as set forth in the Manual or elsewhere.

4.3.7 Franchisee has paid to Franchisor a renewal fee equal to Two Thousand Five Hundred Dollars (\$2,500).

4.4 Renewal Franchise Agreement

If Franchisee wishes to exercise his/her right to enter into a renewal Franchise Agreement, it shall do so by executing Franchisor's then-current form of Franchise Agreement, which agreement shall supersede this Agreement.

4.4.1 The terms of any renewal Franchise Agreement may differ from the terms of this Agreement. Such differences may include, without limitation, a change in the percentage royalty fee and/or minimum royalty fee imposed upon Franchisee for any such Renewal Term, however the fees payable upon renewal will not be greater than the fees that Franchisor then imposes on similarly situated renewing franchisees.

4.4.2 Franchisee shall exercise his/her right to renew for a Renewal Term in the following manner:

(a) Not less than one hundred eighty (180) days, but no more than two hundred forty (240) days prior to the expiration of the Initial Term, Franchisee shall, by written notice, inform Franchisor of his/her intention to exercise his/her renewal right.

(b) Within thirty (30) days after receipt of Franchisee's request, if Franchisee has complied with all conditions precedent to renewal set forth above, Franchisor shall deliver to Franchisee a copy of its then-current Disclosure Document (including its then-current Franchise Agreement), and promptly upon the receipt of same Franchisee shall, in writing, acknowledge the receipt thereof.

(c) No sooner than fourteen (14) days but no more than twenty (20) days after Franchisee receives Franchisor's then-current Disclosure Document (including Franchisor's then-current Franchise Agreement), Franchisee shall, by written notice, notify Franchisor as to whether or not he/she elects to execute Franchisor's then-current form of Franchise Agreement.

(d) Promptly upon receipt of Franchisee's notice of his/her election to execute Franchisor's then-current Franchise Agreement, Franchisor shall deliver to Franchisee three (3) copies of said Franchise Agreement. Promptly upon receipt thereof Franchisee shall execute three (3) copies of said Franchise Agreement and return the same to Franchisor.

(e) If Franchisee shall fail to perform any of the acts or fail to deliver any of the notices required pursuant to the provisions of subsections (a), (b), (c) or (d) of this Section 4.4.2, or pursuant to the provisions of Section 4.3, in a timely fashion, such failure shall be deemed an election by Franchisee not to renew, and such failure shall cause Franchisee's renewal right to expire without further notice or action by Franchisor.

(f) If Franchisee exercises his/her renewal right in the manner described above, and if on the date the Initial Term expires Franchisee has complied with all of the conditions set forth in Section 4.3 hereof, Franchisor shall execute the renewal Franchise Agreement previously executed by Franchisee and shall, promptly after expiration of the Initial Term, deliver one (1) fully executed copy of the renewal Franchise Agreement to Franchisee.

4.5 Notice Requirement

If applicable law requires that Franchisor give notice of expiration to Franchisee prior to the expiration of the Initial Term, this Agreement shall be deemed to remain in effect on a month-to-month basis until Franchisor has given to Franchisee that notice of expiration so required and the applicable period required to pass before the notice becomes effective shall have expired.

4.6 Refusal to Renew Franchise Agreement

Franchisor can refuse to renew Franchisee's franchise if Franchisee's lease, sublease or other document by which Franchisee has the right to occupy the premises is not extended before the Renewal Term is to take effect to cover the period of the renewal or if Franchisee does not have a written commitment from his/her landlord to renew the lease or sublease for a period at least equal to the Renewal Term. Franchisor may also refuse to renew Franchisee's franchise under other circumstances, including, but not limited to, Franchisee's failure to substantially comply with the terms of this Agreement, Franchisee's failure to pay amounts owed to Franchisor when due, or Franchisee's failure to cure of any defaults incurred during the initial term of this Agreement, if applicable.

ARTICLE V **DUTIES OF FRANCHISOR**

5.1 Confidential Operations Manual and Intranet

5.1.1 Franchisor shall, in conjunction with Franchisor's training program and in conformity with the terms and conditions of this Agreement, provide to Franchisee one (1) copy of Franchisor's Confidential Operations Manual (the "**Manual**"). Use of any part or all of the Manual shall be only as permitted under this Agreement and during the term thereof, as may be extended from time to time.

5.1.2 At Franchisor's option, Franchisor may post the Manual and other communications on a restricted intranet or other website to which Franchisee will have access. If Franchisee does so, Franchisee must periodically monitor the site for any updates to the Manual or other standards, specifications and procedures. Any passwords or other digital identifications necessary to access the Manual on such a site will be deemed to be part of the Confidential Information. Further, Franchisee agrees that he/she will establish the channels of communication with Franchisor and his/her clients as required by Franchisor from time to time, including e-mail, internet and other electronic forms of communication, and that he/she will acquire and maintain any computer or other components necessary for the transmission of such communications.

5.1.3 Franchisor must establish one or more websites to advertise, market and promote Franchised Businesses, the services they offer and sell, and/or the Franchised Business franchise opportunity. When Franchisor establishes such a website, Franchisor will designate a web page within the website for each Franchised Business. Franchisor will implement and periodically modify standards for any such website and individual web pages. Franchisee will not establish a website for his/her Franchised Business, other than the web page(s) designated to describe Franchisee's Franchised Business which are located within Franchisor's website.

5.2 Additional Materials

In addition to any other items offered to Franchisee, Franchisor may from time to time furnish to Franchisee other documents and things comprising Copyrights or Know How, including instructions, data, materials, forms or other information developed by Franchisor in connection with the operation of

the System. Franchisor shall have the right to incorporate such matters in its Manual and Franchisee shall be required to conduct the operations of the Franchised Business in accordance therewith.

5.3 Initial Training

With respect to new franchisees (and not renewal franchisees), within thirty (30) days after the execution of this Agreement, Franchisor will offer and Franchisee will thereafter be required to complete a training program (the “**Training Program**”) of between five (5) and fifteen (15) days at Franchisor’s “Hunk University” in Tampa, Florida, or at such location(s) as Franchisor shall designate. Such training program will include training regarding operational, management and marketing training pertaining to the System. The Training Program will be offered to Franchisee and one of Franchisee’s employees only, for a maximum of two (2) people. If the Franchisee is a corporation, limited liability company or a partnership, its duty to complete the Training Program shall be discharged by the completion of such Training Program by any shareholder owning at least fifty (50%) percent of the issued and outstanding shares of said corporation, or the chief executive officer thereof, or, in the case of a limited liability company or partnership, by any holder of at least fifty (50%) percent of the limited liability company’s or partnership’s equity. In addition, Franchisor may elect to provide up to three (3) days of additional training at Franchisee’s Approved Location within the first three (3) months of operations of Franchisee’s Franchised Business, and from time to time as Franchisor deems necessary.

5.3.1 Franchisor will pay no compensation for any services performed by Franchisee in the course of training. Franchisee shall pay all reasonable expenses incurred in connection with and during such training, including, but not limited to, transportation, meals, lodging, wages and other expenses.

5.3.2 Franchisor reserves the right to determine the subject matter and content of its Training Program.

5.3.3 Franchisor reserves the right to elect or decline to train any number of individuals representing any number of franchises individually, or at the same time.

5.3.4 In the event of a valid and complete assignment of the Franchised Business by Franchisee to a third party (as provided for hereafter), Franchisor shall train such third party designated by it in the same manner and under the same circumstances as those described above, except that the new franchisee must pay to Franchisor its then-current training fee for each individual required or designated to be trained (in addition to any fees or other requirements attendant to the assignment).

5.3.5 In the event Franchisee hires any personnel to sell Services pursuant to the requirements of this Agreement and the specifications set forth in the Manual, Franchisee shall be solely responsible for training said personnel; however, Franchisor reserves the right to review such training to ensure that Franchisee’s personnel are trained to Franchisor’s satisfaction. For any manager or replacement manager hired by Franchisee during the term of this Agreement, Franchisor may require that such manager be sent to Franchisor’s Training Program to be trained directly by Franchisor and its personnel. All costs associated with sending the manager to the Training Program, including the costs of the program itself, shall be borne by Franchisee. The manager must complete the Training Program to Franchisor’s satisfaction. Before any manager may begin to act in a management role in Franchisee’s Franchised business, the manager must be reviewed and approved by Franchisor.

5.3.6 Franchisor may waive the training requirements of any personnel if it shall determine, in its sole discretion, that any such personnel has the skill, experience and/or training necessary to operate in accordance with the System.

5.4 Additional Assistance and Training

Franchisor shall provide such additional advisory assistance and training as Franchisor deems advisable in the operation of the System, on such terms and conditions as Franchisor determines and sets forth in its Manual or otherwise. Franchisor may, in its sole and exclusive discretion, cause its representatives to telephone or visit Franchisee from time to time for the purpose of rendering advice and consultation with respect to the operation of the Franchised Business, assessing Franchisee's overall performance and determining whether Franchisee is conducting the Franchised Business in compliance with the standards of the System. Franchisee shall comply with all such requests and visitations, and provide all information requested.

If Franchisee requests additional training, Franchisee shall reimburse Franchisor for its costs in providing such training. Franchisor will determine the cost on a per person basis based upon the instructor's fee and the travel, lodging, food and materials costs associated with the training topic.

5.5 Enrichment Training

Franchisor reserves the right to require Franchisee to participate in a form of enrichment training if the Franchised Business is not performing satisfactorily. Franchisee's participation in enrichment training shall be at Franchisee's sole expense. Enrichment training may include, but is not limited to, that (1) Franchisee must attend additional training at Franchisor's headquarters, (2) Franchisor may send one (1) of its trainers to the Franchised Business to provide additional training on-site, (3) Franchisor may require Franchisee to visit another Franchised Business for additional training and/or to observe its operations, and/or (4) Franchisor may require Franchisee to participate in periodic conference calls. Franchisee's Franchised Business will be deemed to not be performing satisfactorily if (a) it is not meeting the required minimum performance standards, including generating sufficient Gross Sales to meet the minimum Continuing Royalty Fee required herein, (b) the Franchised Business has suffered negative growth for six (6) or more consecutive months, (c) Franchisee has excessive reporting problems (including failure to comply with Franchisor's reporting procedures and/or late reporting for two (2) or more consecutive periods), (d) Franchisee has incurred a high level of damages or customer complaints, or (e) Franchisee is not responding to calls according to Franchisor's requirements (including calls from Franchisor, the Call Center and customers). Unsatisfactory performance of the Franchised Business is a default under this Agreement.

Franchisor shall provide Franchisee with notice that the Franchised Business is not performing satisfactorily, the nature of the default and the actions Franchisee must take to cure the default. Franchisee shall have three (3) months to complete the curative actions Franchisor designates and bring the Franchised Business up to Franchisor's performance requirements. If Franchisee is unable to do so within this three (3) month period, Franchisor shall have the right to terminate this Agreement.

5.6 Annual Convention

On an annual basis and at Franchisor's discretion, at Franchisee's cost and expense (including Franchisor's then-current annual convention fee, currently estimated to be Three Hundred Dollars (\$300) per person), Franchisee or one (1) member of Franchisee's staff is required to attend Franchisor's annual convention at a location determined by the Franchisor. Attendance at this convention is required, unless failure to attend is due to an illness or act of God. If Franchisee does not attend a convention, and such attendance is not excused by Franchisor, Franchisee shall pay to Franchisor a missed convention fee in the amount of Five Hundred Dollars (\$500). If Franchisee has an unexcused absence from a required convention a second time, Franchisor shall have the right to terminate this Agreement. If Franchisee fails

to attend a convention at least once during the term of this Agreement, Franchisor shall have the right to not grant a renewal of this Agreement.

5.7 Approved Suppliers

Franchisor shall, at all times during the term of this Agreement, provide information pertaining to sources of supply of any products or materials which may be used in the System.

5.8 Software

Franchisor or a third party will license to Franchisee the Software, as may be made available from time to time and made part of the System. In connection therewith, Franchisee may be required to execute a software license agreement provided by the third party vendor and such other license agreements which may be applicable to additional or revised software used in the System, and shall be required to pay any initial licensing fees. Franchisee shall not be required to pay a separate fee related to upgrades or maintenance of the Software. Any and all warranties for such Software shall be provided by the third party vendor and not by the Franchisor.

5.8.1 In addition to the training to be provided by Franchisor, during the term of this Agreement, at an additional charge to Franchisee, Franchisor or its designee will provide to Franchisee at Franchisee's request such amount of technical advice on the use of the Software in addition to the Training Program as Franchisor, in its sole discretion, determines to be reasonably necessary.

5.9 Computer Hardware

Franchisor shall specify the particular computer hardware and peripheral equipment which Franchisee must purchase or lease.

5.10 Pricing

Franchisor shall advise Franchisee, from time to time, concerning the maximum prices which Franchisee should charge the clients he/she provide Services to under the System. The maximum prices provided by Franchisor may be different from those pricing guidelines provided to other franchisees in the System. Any such advice, if given at all, will be binding on Franchisee, since the purpose of providing such advice is to enhance interbrand competition and would provide certain economic benefits to Franchisee's clients. Franchisor will provide Franchisee with written notice of all changes to suggested prices (including any temporary promotional changes) and such changes shall be effective upon receipt, unless otherwise stated in the notice. Nothing contained herein shall be deemed a representation by Franchisor that if Franchisee follows such advice he/she will, in fact, generate or optimize profits. Franchisee is obligated to inform Franchisor of all prices charged for services and products sold by Franchisee and to inform Franchisor of any modifications of Franchisee's prices.

5.11 Brand Development Fund

Franchisor shall administer the Brand Development Fund as is more fully described in Section 11.2 hereof.

5.12 Force Majeure

Delays in the performance by either party or its designee of any obligations hereunder which are not the fault of or within the reasonable control of such party including, without limitation, fire, flood, natural disasters, acts of God, governmental acts or orders, or civil disorders, shall not give rise to a default by such party hereunder. Rather the time of performance of any such obligations will be extended

for the period of such delay or for such other reasonable period of time as may be appropriate in the circumstances.

5.13 Intranet

Franchisor may produce and distribute communications to its franchisees via its intranet system and all franchisees must subscribe to this intranet service. To access Franchisor's intranet, Franchisee will be provided with a password. This password is to be considered confidential information and is to be revealed only to those of Franchisee's employees who must have access to the intranet. In the event Franchisee loses the password or the password is otherwise compromised, Franchisee shall notify Franchisor of such event as soon as practicable, and Franchisor will take steps necessary to provide Franchisee with a new password for access to the intranet.

5.14 Call Center

Franchisor or its designee will own, operate and maintain a national Call Center, which will operate for the benefit of all franchisees in the System and which Franchisee must use. The Call Center will derive the majority of Franchisee's appointments from its advertising and networking. The Call Center will use its best efforts to maintain a staff sufficient to generate and drive business to its franchisees. Franchisee shall be required to pay applicable Call Center Administration Fees. Franchisor reserves the right to discontinue operation of the Call Center and, in such event, the Call Center Administration Fee shall no longer apply.

5.14.1 All business generated by Franchisee within his/her Designated Territory and all inquiries made of Franchisee from potential clients must be recorded in the required client loyalty Software not later than the end of the royalty reporting period in which such business was generated or inquiry was made. In addition, Franchisee shall provide such information to the Call Center not later than the end of such reporting period for scheduling, tracking and follow-up with the client, including client inquiries received via the Franchisor's "800" number and/or website as well as inquiries and requests for service provided to Franchisee directly.

5.14.2 Franchisee acknowledges and agrees that the Call Center is intended to provide a uniform process for placement of orders for Services and handling of clients throughout the System, and to maintain a complete client database which provides management reports to franchisees. Franchisor undertakes no obligation to ensure that any particular franchisee (including Franchisee) benefits on a pro-rata basis from the Call Center.

5.15 Refresher Training

To develop and maintain cooperation and friendship with other franchisees, to enhance the ability to operate the Franchised Business properly, to learn the most recent developments in business methods for the Franchised Business and to take instructions from Franchisor on new or revised procedures or requirements, Franchisor reserves the right to require Franchisee to attend an annual refresher training course conducted by Franchisor for franchisees, to be held at a location to be determined by Franchisor.

5.15.1 Franchisee will pay the costs of the personnel and their expenses in conducting such refresher training program, and Franchisee shall be responsible for his/her own travel expenses, meals and lodging, including those of his/her Manager(s), if any. However, Franchisor shall be under no obligation to conduct such program until, in Franchisor's sole and absolute discretion, it is advisable to do so.

5.15.2 Franchisee's Manager(s), if any, must attend and complete, at Franchisee's expense, all training sessions described herein, in addition to Franchisee and to the same extent as Franchisee.

5.16 Franchisee Directory

To assist in the efficient operation of the Franchised Business, Franchisor shall provide and Franchisee shall assist Franchisor in the continuous development and maintenance of the following directory for use solely within the System:

5.16.1 Franchisee Directory. To assist Franchisee in maintaining contact with other franchisees, Franchisor shall publish, from time to time, a directory of the names, addresses and telephone numbers of every franchisee in the System. We reserve the right to post such directory on our intranet.

5.17 Service Requests

In the event Franchisor receives any service requests via its website, or by other means, which are from potential clients who are physically located within the Designated Territory of any franchisee, Franchisor shall direct such orders to any of the franchisees owning such Designated Territory. If Franchisee is unable to complete such request for service for the client, Franchisor shall have the right to fulfill such order itself or direct same to another franchisee, without compensating Franchisee for his/her failed efforts.

5.17.1 Franchisee shall be prohibited from directly soliciting or serving clients outside of the Designated Territory. If the Call Center receives a request for Services from a client within an unassigned Zone, but said Zone is within a radius of fifteen (15) miles from Franchisee's Designated Territory, the Franchisor may require Franchisee to provide the Services to said client and to pay the fee referenced in Section 8.5. If the client is outside the fifteen (15) mile radius of Franchisee's Designated Territory, Franchisee shall have the option whether or not to provide Services to said client.

5.18 Supply Manual

Franchisor will publish and distribute from time to time a supply manual suggesting sources of supply for forms, signs, cards, stationery and other items necessary to operate a modern junk removal or moving business. The suggested source of supply for items may be Franchisor, an affiliate of Franchisor or an independent supplier. Franchisee may purchase supplies either from a source of supply suggested by Franchisor or from any other supplier which can first demonstrate to the satisfaction of Franchisor that its products or services meet the specifications established from time to time by Franchisor.

5.19 Artwork and Templates

Franchisor will provide Franchisee initially and periodically throughout the term of this Agreement with electronic artwork and templates for various documents Franchisee will use in the operation of the Franchised Business and for advertising purposes. Franchisor reserves the right to require Franchisee to reimburse Franchisor's expenses to provide the artwork and templates to Franchisee.

5.20 Call Center Fund

Franchisor shall administer the Customer Loyalty Center Fund (the "**Center Fund**") as follows:

5.20.1 Franchisor shall segregate all contributions made by franchisees to the Center Fund into a separate account. All monies in the Center Fund shall be used for administrative costs related

to the Call Center (including but not limited to staffing and equipment purchases), maintenance and upgrade fees for the Software, and maintenance fees for Franchisor's intranet. Franchisor shall have sole and absolute discretion over the use of the monies in the Center Fund as well as all aspects of operating the Call Center. The Center Fund shall not be used to defray any of Franchisor's general operating costs, except that Franchisor may allocate a portion of salaries for Call Center staff to the Center Fund, as well as other costs Franchisor may incur related to the administration of the Center Fund.

5.20.2 Franchisor shall provide Franchisee each year with an unaudited financial statement showing the use of monies in the Center Fund and the balance of the Center Fund at year end.

5.20.3 In the event the balance at year end in the Center Fund is in excess of expenditures, Franchisor reserves the right, in its sole discretion, to retain the monies in the Center Fund for the next year or to allocate some of the excess monies to the Regional Advertising Fund.

5.20.4 Except as may be otherwise provided in this Agreement, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the Call Center or the Center Fund. Franchisee is not a third party beneficiary and shall have no right to enforce any contributions from other franchisees or the administration of the Center Fund. Any obligation of Franchisor with respect to the Center Fund shall be contractual in nature, and Franchisee shall have no proprietary right in the Center Fund, which shall not constitute a trust fund.

5.21 Assistance with Dispute Resolution

If Franchisor becomes aware of a dispute between Franchisee and one (1) or more third parties relating to the Franchised Business, Franchisor may take one (1) or more of the following actions.

5.21.1 Franchisor may take no action other than to instruct Franchisee to resolve the dispute in a manner that will not cause injury to the College Hunks Hauling Junk® and/or College Hunks Moving® brands, System or Proprietary Marks, or the goodwill associated therewith.

5.21.2 Franchisor may assist Franchisee and such third parties to resolve the dispute if Franchisor believes that its assistance will constructively resolve such dispute.

5.21.3 If Franchisor believes that the dispute cannot or will not be resolved and that the dispute will or may damage the College Hunks Hauling Junk® and/or College Hunks Moving® brands, System, Proprietary Marks and/or the goodwill associated therewith, or if Franchisee has not been able to resolve such dispute and Franchisor must resolve the dispute on Franchisee's behalf, Franchisor may, with advance written notice to Franchisee, resolve the dispute directly with the third party by paying any damages alleged and supported by documentary evidence by the third party, including without limitation attorneys' fees, and Franchisee agrees to indemnify Franchisor for any such action taken or payment made. Franchisee shall reimburse all costs Franchisor incurs related to this settlement, which Franchisee agrees to pay within fourteen (14) days after notice of demand therefor. Franchisor may, but is not obligated to, consult with a designated franchisee group and request that such group provide an opinion regarding resolution of the dispute based upon the facts of the dispute. Franchisor is not obligated to comply with any opinion propounded by such group.. In providing the advisory group with facts related to the dispute, Franchisor shall use its best efforts to keep confidential all information relating to the identities of the disputants.

ARTICLE VI
CONFIDENTIAL OPERATIONS MANUAL

6.1 Conduct of Franchised Business

In order to protect the reputation and goodwill of the Franchisor, the System, and Proprietary Properties, and to maintain requisite operating standards under the Proprietary Marks, Franchisee shall conduct his or her Franchised Business in strict accordance with the provisions, standards, and procedures set forth in this Agreement and in the Manual.

6.2 Confidential Information

Franchisee shall at all times treat the Manual, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein as confidential Know How, and shall use all efforts to maintain such information as secret and confidential in accordance with the terms and conditions governing Know How and Copyrights, including, without limitation, the following: Franchisee shall not, at any time, without the Franchisor's prior written consent, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person. The persons who are authorized shall include Franchisee's management personnel who have executed the Employee Non-competition and Non-disclosure Agreement, annexed hereto as Exhibit "B."

6.3 Sole Property of Franchisor

The Manual shall at all times remain the sole property of the Franchisor, and shall be returned to the Franchisor immediately upon expiration or termination of this Agreement.

6.4 Revisions

The Franchisor may, from time to time, revise the contents of the Manual when it reasonably considers such revisions to be necessary to improve or maintain the standards of the System and Franchisee expressly agrees to comply with each new or changed standard, provided, however, that such revisions are made for all franchisees and are reasonable in nature. Any revisions to the contents of the Manual shall be deemed effective seven (7) days after the date of mailing or providing same electronically of such revisions to Franchisee, unless otherwise specified by the Franchisor.

Franchisee acknowledges the contents of the Manual and any revisions or modifications made thereto shall constitute additional provisions of and modifications to this Agreement as if fully set forth herein.

6.5 Franchisee to Keep Current

Franchisee shall at all times ensure that his/her copy of the Manual, if such Manual is provided to you in hard copy format, is kept current and up to date, and in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by the Franchisor at its home office shall be controlling.

6.6 Modification of Standards

Franchisor and Franchisee acknowledge there may be circumstances that require the Franchisee to modify the implementation of the standards and guidelines set forth in the Manual. The Franchisor and Franchisee recognize the Manual is an operational guideline for conducting the Franchisee's business operations and, although the Franchisee shall use his/her best efforts to faithfully follow the standards and

guidelines set forth in the Manual, the Franchisor shall be permitted to modify the operational standards and guidelines so that Franchisee's business is best served.

6.7 Improvements

To the extent that any improvements, inventions or discoveries are made by Franchisee, or Franchisee's employees or agents, during the course of this Agreement and relating to the Proprietary Properties or System ("**improvements**"), such improvements shall be deemed assigned to and owned by Franchisor for the purpose of improving the entirety of the franchised network and the provision of services in accordance with the System. All documents and other information concerning any such improvements shall be disclosed to Franchisor promptly after creation or invention. Franchisor shall, in its sole discretion, decide whether such improvements are worthy of inclusion in the System and the best and most practical method of implementation and protection. Franchisee shall execute all documents reasonably necessary to perfect Franchisor's ownership in and to any such improvements and shall cooperate with Franchisor in the creation, implementation, use and protection thereof.

ARTICLE VII

PROPRIETARY MARKS, TRADE NAMES AND COPYRIGHTED MATERIALS

7.1 License

The license granted in Section 2.1 hereof does not grant Franchisee any right, title or interest, at law or in equity, in or to any of the Proprietary Properties, including the Proprietary Marks, Copyrights, and Know How, except as provided by said license. Further, such license applies only to those portions of the Proprietary Properties which have been, or may be, designated in writing by Franchisor for use by Franchisee in conjunction with the operation of the Franchised Business. Franchisee shall not represent to others, or conduct himself/herself in any manner that might indicate to others, that he/she possesses any other legal or equitable rights in or to the Proprietary Properties by virtue of the license granted hereunder. Execution of this Agreement by Franchisee shall further set forth Franchisee's consent that the Proprietary Marks, Copyrights and Know How are valid and enforceable (without defense or recourse). Franchisee represents and warrants that he/she will not attack the validity or enforceability of any of the Proprietary Properties, or assist another in any such attack, during the course of this Agreement or thereafter. The terms of this paragraph shall survive termination or expiration of this Agreement for any reason, in addition to any of the other remedies or survival provisions otherwise contained herein.

7.2 Quality Standards

Franchisee agrees that the nature and quality of: all services rendered by Franchisee in connection with Franchisor's Proprietary Marks; all goods sold by Franchisee under Franchisor's Proprietary Marks; and all related advertising, promotional and other related use of Franchisee's Proprietary Marks by Franchisee shall conform to standards set by and be under the control of Franchisor.

7.3 Quality Maintenance

Franchisee agrees to cooperate with Franchisor in facilitating Franchisor's control of the nature and quality of Franchisor's Proprietary Marks, to permit reasonable inspection of Franchisee's operation, and to supply Franchisor with specimen of all uses of Franchisee's Proprietary Marks upon request. Franchisee shall comply with all applicable laws and regulations and obtain all appropriate government approvals pertaining to the sale, distribution and advertising of services and goods which may be covered by this Agreement.

7.4 No Act in Derogation

Franchisee shall not do or permit any act in derogation of any of the rights of Franchisor to its Proprietary Properties.

7.5 No Dispute

Franchisee shall not contest or dispute Franchisor's title to any part or all of the Proprietary Properties.

7.6 Use of Proprietary Properties

Franchisee shall use the Proprietary Properties solely in accordance with this Agreement and the Manual.

7.6.1 Franchisee agrees to use Franchisor's Proprietary Marks only in the form and manner and with appropriate legends as prescribed from time to time by Franchisor, and not to use any other service marks or trademark in combination with any of Franchisor's Proprietary Marks without prior written approval of Franchisor.

7.7 Identification of Franchisee

Franchisee shall not use the Proprietary Properties, or any words, phrases, symbols, trade dress, colors, logos or materials which Franchisor deems confusingly similar thereto, in his/her trade name (or for any other purpose) without Franchisor's prior written approval. In that connection, Franchisee shall identify himself/herself to the public as doing business as College Hunks Moving® and/or College Hunks Moving® as designated in the opening paragraph of this Agreement.

7.7.1 During the term of this Agreement and any renewal or extension hereof, Franchisee shall identify himself/herself as the independent owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as Franchisor may designate in writing.

7.8 Discontinuance of Use

In addition to all post-termination provisions contained in this Agreement, Franchisee agrees that after the expiration or termination of this Agreement, Franchisee shall discontinue the use of the cellular telephone number(s) of the Franchised Business and shall not advertise in any telephone directory under the names College Hunks Moving® or College Hunks Moving® or any other name, phrase or logo used by the System, discontinue use of any or all of the Proprietary Properties, and not use any words, phrases, logos, designs, colors, trade dress or the like that in any manner may cause client confusion, or resemble, be confusingly similar to, or be a colorable imitation of the Proprietary Properties. Additionally, upon demand of the Franchisor, Franchisee shall direct his/her local telephone company to transfer such telephone number(s) to Franchisor or its designee by utilization of the Conditional Assignment of Telephone Numbers and Listings and Internet Addresses to be executed by Franchisee, the form of which is annexed hereto as Exhibit "C." If Franchisee fails promptly to direct his/her telephone company to effect such transfer, Franchisee hereby irrevocably appoints Franchisor as his/her attorney-in-fact to so act.

7.9 Franchisor to Defend

If Franchisee receives notice of or learns of any actual or potential claim, suit or demand that has been or may be asserted against him/her or Franchisor involving any alleged infringement, unfair competition, or similar matter relating to the use of the Proprietary Properties, Franchisee shall promptly notify Franchisor of any such actual or potential claim, suit or demand. Thereupon, Franchisor shall promptly take such action as it may deem necessary in its sole discretion to address any such claim. Franchisor shall have the sole right to defend compromise or settle any such claim, using attorneys of its own choosing, and Franchisee agrees to cooperate fully with Franchisor in connection with the defense of any such claim. Franchisor shall protect, defend and indemnify Franchisee in connection with such claim unless the claim, suit or demand arises out of or relates to Franchisee's use of the Proprietary Properties in violation of this Agreement, the Manual or otherwise.

7.10 Notification of Infringement

If Franchisee learns of any unauthorized use of the Proprietary Properties, Franchisee shall promptly notify Franchisor of the facts relating to such alleged infringing use. Franchisor shall, in its discretion, determine whether or not to take any action with respect to such information. Franchisee shall have no right to take any action with respect to any unauthorized use of the Proprietary Properties without the prior written consent of Franchisor.

7.10.1 Franchisee agrees to notify Franchisor of any unauthorized use of Franchisor's Proprietary Marks by others promptly as it comes to Franchisee's attention. Franchisor shall have the sole right and discretion to bring infringement or unfair competition proceedings involving Franchisor's Proprietary Marks.

7.11 Limited License

Franchisee understands and agrees that the limited license to use the Proprietary Properties granted hereby applies only to such properties as are designated by Franchisor, together with those which may hereafter be designated by Franchisor in writing. Franchisee expressly understands and agrees that he/she is bound not to represent in any manner that he/she has acquired any ownership or equitable rights in any of the Proprietary Properties by virtue of the limited license granted hereunder, or by virtue of Franchisee's use or creation of any of the Proprietary Properties, or upon any other basis.

7.11.1 If it becomes advisable at any time, in the discretion of Franchisor, to modify or discontinue use of any aspect of the Proprietary Properties and/or to adopt or use one or more additional or substitute items, then Franchisee shall be obligated to comply with any such instruction by Franchisor. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any such addition, modification, substitution or discontinuation, and Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.

ARTICLE VIII PAYMENTS TO FRANCHISOR

8.1 Initial Franchise Fee

Initial Franchise Fee – Standard Zone. Upon execution of this Agreement and to initiate the franchise rights conveyed hereunder, Franchisee shall pay to Franchisor an Initial Franchise Fee of _____ Dollars (\$_____). If Franchisee is purchasing a standard Zone and either the College Hunks Hauling Junk® or the College Hunks Moving® concept (but not

both), the Initial Franchise Fee payable hereunder is Forty Thousand Dollars (\$40,000). If Franchisee is purchasing both the College Hunks Hauling Junk® and the College Hunks Moving® concepts, then the Initial Franchise Fee payable hereunder is Fifty Thousand Dollars (\$50,000). If Franchisee is a qualified United States veteran, and provided that Franchisee shall at all times own a minimum of fifty-one percent (51%) of the Franchised Business, Franchisor shall reduce the Initial Franchise Fee by Five Thousand Dollars (\$5,000).

Initial Franchise Fee – Small Market Zone. Franchisee may elect to purchase a small market Zone, in which event the Initial Franchise Fee payable hereunder will be calculated as Ten Cents (10¢) per person in the Zone; provided, however, that in no event shall the Designated Territory include less than five thousand (5,000) people and provided, further, that the Franchisor has the right to require Franchisee to purchase a larger number of qualified households for the Zone if Franchisor believes, using its reasonable business judgment, that the population is insufficient to sustain a reasonable volume of business. In addition, Franchisee may choose to purchase additional areas at the same rate (designated by zip code) if these areas are available.

Initial Franchise Fee – Conversion Franchise. If Franchisee is currently in a similar business and wishes to convert his/her existing business to a Franchised Business, Franchisee shall pay an Initial Franchise Fee in the amount of _____ Dollars (\$_____). The Initial Franchise Fee Franchisee shall pay hereunder is calculated as the then-current Initial Franchise Fee of Forty Thousand Dollars (\$40,000) less ten percent (10%) of Franchisee's total revenue from your existing business in the previous year; provided, however, that in no event shall such discount exceed Thirty Thousand Dollars (\$30,000), making the minimum Initial Franchise Fee Ten Thousand Dollars (\$10,000).

The Initial Franchise Fee (less any amount credited by any deposit heretofore paid by Franchisee to Franchisor), regardless of which type of franchise or number of Zones purchased (as described below), is payable in a lump sum upon execution of this Agreement, is not refundable in whole or in part and is deemed fully earned upon execution of this Agreement. The Initial Franchise Fee is, in part, compensation to grant Franchisee a Zone within which to operate his/her Franchised Business, which Zone will be Franchisee's Designated Territory.

8.1.1 In the event Franchisee wishes to purchase additional Zones, such Zones must be contiguous to Franchisee's Designated Territory and Franchisee must meet Franchisor's then-current qualifications for franchisees who wish to own multiple Zones. Franchisor reserves the right to deny the sale of an additional Zone to Franchisee. Franchisor does not guarantee the success of any Zone, and Franchisor will not reserve a Zone for future purchase. Franchisee will be required to operate at least 1 office per 4 Zones that it owns and to sign a separate Franchise Agreement for Each Office. The Franchisee must reach a minimum of \$20,000 revenue per month per owned Zone and have at least \$40,000 in available capital or financing before it will be permitted to purchase additional Zones.

8.1.2 If Franchisee elects to purchase additional standard size Zones at the same time as this Agreement is executed, then the cost for each additional Zone shall be Fifteen Thousand Dollars (\$15,000), which is payable in a lump sum to Franchisor and is not refundable. If Franchisee elects to purchase additional Zones after this Agreement is executed and while the Franchised Business is being operated, then the cost for each additional Zone shall be Twenty-two Thousand Dollars (\$22,000) or Franchisor's then-current additional Zone fee, whichever is higher, for each additional Zone Franchisee purchases. The additional Zone fee(s) shall be non-refundable.

8.1.3 If Franchisee elects to purchase an additional fraction of a Zone, whether at the same time as this Agreement is executed or during the term of this Agreement, then the cost for such

fractional Zone shall be Ten Thousand Dollars (\$10,000) for each additional one hundred thousand (100,000) people. The additional fractional Zone fee shall be payable upon execution of this Agreement or upon our approval of your purchase of the additional fractional Zone, as applicable, and is non-refundable.

8.1.4 During the term of this Agreement, and if Franchisee has chosen to purchase only one of the business concepts initially, Franchisee may purchase the other business concept for an additional fee of Ten Thousand Dollars (\$10,000). Franchisee shall meet Franchisor's criteria for purchasing the additional concept, including being in good standing under this Agreement and Franchisee has the financial capability to purchase or lease the additional truck(s) and equipment required. This additional fee is payable when Franchisor approves Franchisee to purchase the additional concept and is not refundable.

8.1.5 All of Franchisee's Zones (or fractional Zones) which together will comprise the Designated Territory shall be listed on Exhibit "A" hereto, which Exhibit shall be amended from time to time in the event Franchisee purchases additional Zones (or fractional Zones).

8.1.6 In the event Franchisee obtains from a lender a loan ("**Loan**") in which funding is provided with the assistance of the United States Small Business Administration ("**SBA**"), Franchisee agrees to execute any additional documentation required as a condition for obtaining the SBA assisted financing.

8.1.7 In certain limited circumstances, Franchisor may offer Franchisee the opportunity to finance up to seventy percent (70%) of the Initial Franchise Fee payable hereunder. In such event, Franchisee shall execute and deliver to Franchisor, contemporaneously with the execution of this Agreement, Franchisor's then-current form of Promissory Note and Personal Guaranty, attached hereto as Exhibit "H."

8.2 Continuing Royalty Fee

In addition to the Initial Franchise Fee, Franchisee shall pay Franchisor a semi-monthly Continuing Royalty Fee equal to seven percent (7%) of the Gross Sales generated, billed but not collected, earned, derived and/or received by the Franchised Business ("**Continuing Royalty Fee**") for the prior period's operations, subject to the minimum Continuing Royalty Fee described in Section 8.2.2 below. The Continuing Royalty Fee is payable on the third (3rd) and eighteenth (18th) days of each month, or the next business day if either such day is not a business day. The Continuing Royalty Fee payable on the third (3rd) day of each month is calculated based on Gross Sales generated in the period from the sixteenth (16th) day of the previous calendar month to the last day of such month. The Continuing Royalty Fee payable on the eighteenth (18th) day of each month is calculated based on Gross Sales generated in the period from the first (1st) day through the fifteenth (15th) day of the current month.

Notwithstanding the foregoing, if Franchisee provides Services outside of the Designated Territory, and the provision of such Services is more than thirty percent (30%) of Gross Sales over a three (3) month period of time but Franchisee does not wish to purchase an additional Zone, Franchisee shall pay Franchisor a Continuing Royalty Fee equal to twelve percent (12%) of all Gross Sales from Services provided outside the Designated Territory. In the event Franchisee elects to purchase the additional Zone, then these additional fees will be credited toward the cost of such additional Zone. These additional fees are otherwise not refundable under any circumstances. An additional 10% of revenue outside of Territory must be paid (an "**Out of Territory Fee**") if the Franchisee performs services outside of its Zone after being informed to stop.

8.2.1 As used in this Agreement, the term “**Gross Sales**” shall mean and include the actual gross revenues billed to clients of Franchisee in connection with the Services sold and performed for such clients, whether for cash or credit, plus any other revenues derived from the operation of the Franchised Business by Franchisee, but excluding federal, state or municipal sales, use, service or excise taxes collected from clients and paid to the appropriate taxing authorities, and client refunds. Gross Sales does not currently include revenues from re-sale items, but Franchisor reserves in the right, in its discretion, to include in the definition of Gross Sales any revenue Franchisee receives from recycling and scrap, consignments, re-sales of items, etc. If Franchisor elects to include these types of revenue in Gross Sales, Franchisor shall provide Franchisee with systems and training regarding the re-sale of such items.

8.2.2 The minimum Continuing Royalty Fee payable hereunder shall be as follows:

(a) If this Agreement is for a College Hunks Hauling Junk® franchise that will provide junk removal services only, then the following shall apply: There is no minimum Continuing Royalty Fee for the first six (6) months unless this Agreement results from a transfer or renewal. From months 1-12, the minimum Continuing Royalty Fee each reporting period is One Hundred Fifty (\$150). If Franchisee owns more than one (>1) Zone, then in months 13-24, the minimum Continuing Royalty Fee each reporting period increases to Three Hundred Dollars (\$300). If Franchisee owns more than two (>2) Zones, then in months 25-36 the minimum Continuing Royalty Fee each reporting period increases to Four Hundred Fifty Dollars (\$450). If Franchisee owns more than three (>3) Zones, then in months 37-48 the minimum Continuing Royalty Fee each reporting period increases to Six Hundred Dollars (\$600). If Franchisee owns more than four (>4) Zones, then in months 49-60 the minimum Continuing Royalty Fee each reporting period increases to Seven Hundred Fifty Dollars (\$750). This trend continues each year based on the number of Zones owned by Franchisee.

(b) If this Agreement is for a College Hunks Moving® franchise that will provide moving services only, then the following shall apply: There is no minimum Continuing Royalty Fee for the first six (6) months unless this Agreement results from a transfer or renewal. From month 7-12, the minimum Continuing Royalty Fee each reporting period is Seven Hundred Dollars (\$700). If Franchisee owns more than one (>1) Zone, then in months 13-24, the minimum Continuing Royalty Fee each reporting period increases to One Thousand Four Hundred Dollars (\$1,400). If Franchisee owns more than two (>2) Zones, then in months 25-36 the minimum Continuing Royalty Fee each reporting period increases to Two Thousand One Hundred Dollars (\$2,100). If Franchisee owns more than three (>3) Zones, then in months 37-48 the minimum Continuing Royalty Fee each reporting period increases to Two Thousand Eight Hundred Dollars (\$2,800). If Franchisee owns more than four (>4) Zones, then in months 49-60 the minimum Continuing Royalty Fee each reporting period increases to Three Thousand Five Hundred Dollars (\$3,500). This trend continues each year based on the number of Zones owned by Franchisee.

(c) If this Agreement is for both concepts, then the minimum Continuing Royalty Fee shall be as set forth in Section 8.2.2(b) above and Section 8.2.2(a) shall be of no effect.

8.2.3 If Franchisee fails to achieve the level of Gross Sales necessary in order to enable Franchisee to pay the minimum Continuing Royalty Fees three (3) times in any twelve (12) month period during the term of this Agreement, but after the initial six (6) months of operation (when no minimum Continuing Royalty Fee is required), Franchisor has the right to (a) take back one (1) of Franchisee’s Zones, if Franchisee then operates multiple Zones; or (b) terminate this Agreement.

8.3 Brand Development Fee

In addition to the Initial Franchise Fee and Continuing Royalty Fee, Franchisee shall pay to Franchisor a Brand Development Fee (to be expended as provided in Section 11.2) in an amount equal to one percent (1%) of Franchisee's Gross Sales during the previous two (2) week period. The Brand Development Fee is payable at the same time and in the same manner as the Continuing Royalty Fee.

8.4 Call Center Support Fee

Franchisee shall be required to pay to Franchisor an administration fee for use of the Call Center equal to \$727 per month for junk-only franchises or \$857 per month for moving franchises or moving/junk franchises ("**Support Fee**"). The Support Fee is payable at the same time and in the same manner as the Continuing Royalty Fee. There is no Support Fee for the first six (6) months unless this Agreement results from a renewal or transfer.

8.5 Appointment Fee

In addition to the Support Fee, Franchisee will pay \$17 per scheduled appointment by the CLC (the "**Appointment Fee**"). Franchisee will not be required to pay the Appointment Fee for self-generated sales, self-booked sales, online bookings, or jobs that cancel prior to the day of the scheduled appointment. The Appointment Fee will be billed by the Franchisor each month and is due 10 days after invoice is sent. The Appointment Fee covers the per-appointment set by the CLC and is due whether or not a sale results from the appointment, but will not be charged if a client cancels prior to the day of the scheduled appointment. "Per Booking" or "Per Appointment" is defined as a Booked Move, Booked Junk Removal Estimate, Booked In-Home Estimate or Booked Junk Removal Consultation. Franchisee will be able to submit a request for refund of the \$17 if an appointment is improperly scheduled. Franchisor reserves the right to reject Franchisee's unreasonable requests for refund.. Franchisor reserves the right to monitor the systemwide cancellation average to ensure Franchisee does not abuse the system of cancelled appointments or credits from the CLC. Franchisees should still perform confirmation calls with clients at least the day prior to minimize day-of cancellations. If there is a day-of cancellation that the Franchisee feels was booked incorrectly, the Franchisee can submit an incident report request for refund.

8.6 Providing Services to Clients Outside the Designated Territory

Franchisee shall not be required to pay an additional fee when servicing clients outside of the Designated Territory, provided such clients are not located in another franchisee's designated territory. In the event the provision of Services to clients outside of the Designated Territory accounts for at least twenty percent (30%) of Franchisee's total Gross Sales, Franchisor may require Franchisee to purchase the additional Zone in which Franchisee has been providing Services for the right to continue providing services outside of the Designated Territory. Franchisee must meet all of Franchisor's qualifications for purchasing additional Zones as set forth herein or in the Confidential Operations Manual. If Franchisee does not purchase the additional Zone, Franchisee must cease providing Services in such area.

8.7 Commencement of the Business

Franchisee's obligations to pay the Continuing Royalty Fee, the Support Fee) and the Brand Development Fee accrues on the day that Franchisee commences operation of the Franchised Business (except for the temporary abatement of the minimum Continuing Royalty Fee discussed in Section 8.2). "**Commencement of the Business**" is defined as the first day on which the Franchised Business receives revenues, offers services, or conducts any of the activities contemplated by this Agreement.

8.8 Right of Set Off

Franchisee agrees to pay promptly, when due, all taxes and assessments that may be assessed or otherwise due against Franchisee's income, premises, equipment and/or supplies used in connection with Franchisee's business, to discharge all liens and encumbrances of every kind and character created or placed upon or against any of said property and to pay all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of said business. In the event Franchisee should default in making any such payment, Franchisor shall be authorized, but not required, to pay the same on Franchisee's behalf, and Franchisee covenants promptly to reimburse Franchisor for any such payment. Franchisor shall also maintain the right of set off to permit deductions of any such amounts from payments that may be due Franchisee hereunder. Any such amounts advanced by Franchisor shall be due and payable immediately on Franchisee's receipt of written demand from Franchisor.

8.9 Default

Any default by Franchisee in the timely payment of any indebtedness of Franchisee owing to Franchisor, or to any affiliate of Franchisor, or the default by Franchisee in the payment of any indebtedness of Franchisee with respect to which Franchisor or any of the affiliates of Franchisor is a guarantor, co-signer, endorser or obligor, shall constitute a breach of this Franchise Agreement, rendering the same subject to termination in accordance with the provisions of Article XVII hereof.

8.10 Application of Funds

Franchisee waives any and all existing and future claims and set offs against any amounts due Franchisor hereunder, which amounts shall be paid when due regardless of any other claims which Franchisee may have against Franchisor. However, Franchisor shall be entitled to apply or cause to be applied against amounts due to it any amounts which may from time to time be held by Franchisor on Franchisee's behalf or be owed to Franchisee by Franchisor. Notwithstanding any designation by Franchisee, Franchisor shall use sound business judgment and be reasonable in applying any payments received from Franchisee, whether designated as payable to Franchisor, the Brand Development Fund or otherwise, to any past due or other indebtedness of Franchisee for continuing fees payable hereunder, purchases, interest or otherwise. Franchisor may set off from any amounts that may be owed to Franchisee any amount that Franchisee owes to Franchisor or with respect to any payment. In particular, Franchisor may retain any amounts it has received for Franchisee's account (whether rebates or other funds and whether paid by or due from suppliers or otherwise) as a credit and payment against any amounts that Franchisee owes or will owe to Franchisor or with respect to any Brand Development Fee. Franchisor may do so without notice at any time. However, Franchisee does not have the right to offset or withhold payments owed to Franchisor for amounts purportedly due Franchisee from Franchisor. Franchisor may condition Franchisee's participation in any program (including, but not limited to, any program involving payments from third party suppliers or otherwise) as Franchisor determines in its reasonable discretion, including, but not limited to, Franchisee being a franchisee in good standing and not in default under this or any other agreement with Franchisor. Franchisee agrees that he/she will not withhold any amounts otherwise due Franchisor as a result of any dispute of any nature, but will pay such amounts to Franchisor and only thereafter seek reimbursement.

8.11 Interest on Late Payments

All Continuing Royalty Fees, Brand Development Fees, Call Center Support Fees, Appointment Fees, lease payments, amounts due for purchases by Franchisee from the Franchisor, and other amounts which Franchisee owes to the Franchisor shall bear interest after the due date at the rate of twenty percent (20%) per annum, and interest shall accrue from the original due date until payment is received in full. Franchisee acknowledges that this Section 8.10 shall not constitute the Franchisor's agreement to accept such payments after same are due or a commitment by the Franchisor to extend credit to, or otherwise

finance Franchisee's Franchised Business. Further, Franchisee acknowledges that his/her failure to pay all amounts when due shall constitute grounds for termination of this Agreement.

8.12 Application of Payments

Notwithstanding any designation by Franchisee, the Franchisor shall have sole discretion to apply any payments by Franchisee to any of his/her past due indebtedness for Continuing Royalty Fees, Brand Development Fees, Support Fees, Appointment Fees, purchases from the Franchisor or its affiliates, interest or any other indebtedness.

8.13 Method of Payment - Electronic Funds Transfer

Franchisee shall deliver to Franchisor any and all reports, statements and/or other information required under Article XII below at the time and in the format reasonably requested by Franchisor. Franchisee shall establish an arrangement for electronic funds transfer or deposit of any payments required under this Section. Franchisee shall execute Franchisor's current form of "Authorization Agreement for Prearranged Payments (Direct Debits)," a copy of which is attached to this Agreement as Exhibit "F," together with any other forms required by Franchisor's or Franchisee's bank, and Franchisee shall comply with the payment and reporting procedures specified by Franchisor in the Manual. Franchisee expressly acknowledges and agrees that Franchisee's obligations for the full and timely payment of Continuing Royalty Fees, Brand Development Fees, Support Fees or Appointment Fees (and all other amounts provided for in this Agreement) shall be absolute, unconditional, fully earned, and due upon Franchisee's generation and receipt of Gross Sales. Franchisee shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims Franchisee may allege against Franchisor, the Brand Development Fund, any advertising cooperative or others. Franchisee shall not, on grounds of any alleged non-performance by Franchisor or others, withhold payment of any fee, including without limitation Continuing Royalty Fees, Brand Development Fees, Support Fees or Appointment Fees, nor withhold or delay submission of any reports due hereunder, including but not limited to sales reports.

8.14 CPI Adjustment

All fixed dollar amounts used in the Franchise Agreement will be adjusted as of January 1 of each year in proportion to the changes in the Index, subject to an annual Inflation Adjustment, not to exceed an increase of 2% per year. The term "Inflation Adjustment" refers to Franchisor's right to increase a fee, or obligation to decrease a fee, based upon an increase or decrease in the Index. The Index refers to the Consumer Price Index (U.S. Average, all items) maintained by U.S. Department of Labor (or such equivalent index as may be adopted in the future) between January 1, 1995 and January of the then-current year, or a comparative index Franchisor may select if the Index is no longer published. Each adjustment will be made effective on January 1 based on the January Index, but the 1st adjustment will not be made until the 2nd January following the Agreement Date (i.e., for an Agreement Date of July 1, 2012, the 1st adjustment would be effective as of January 1, 2014). Our failure to adjust any fixed dollar amounts due to changes in the Index at any time does not constitute our waiver of the right to do so at any other time, including for past periods. However, we will not impose such adjustments retroactively.

8.15 Performance Refund

If you own at least one full Zone and fail to reach \$180,000 in revenues during your first 18 months of operations, and you have followed the systems with no material defaults, you may exit the business and we will refund 50% of your initial franchise fee for your 1st Zone (i.e. \$17,500 if you purchased moving or junk removal, or \$22,500 if you purchased both services). You must submit a request in writing at 18 months if you wish to exercise this exit/refund option. We will review your request and notify you within 30 days of your request. If we approve, then you must sign a mutual

termination and release of us at that time We will refund the 50% of Franchise Fee within 90 days of acceptance of your request and after we have received the signed mutual termination and release and you have fulfilled your post-term obligations under the Franchise Agreement. You must be in full compliance with your franchise agreement, and you must have followed the system entirely in order to qualify for this refund.

8.16 Performance Incentive

If you own at least one full Zone and reach \$600,000 in revenues during your first 18 months of operations, and you have followed the systems with no material defaults, we will pay you a marketing incentive of \$8,000. You must submit a request in writing at 18 months if you wish to exercise this incentive. We will review your request and notify you within 30 days of your request. If approved, we will credit your royalty payments by \$8,000 within 90 days of acceptance of your request. You must be in full compliance with your franchise agreement, and you must have followed the system entirely in order to qualify for this incentive credit.

ARTICLE IX OBLIGATIONS OF FRANCHISEE

9.1 Obligations of Franchisee

Each component of the System is vital to Franchisor, to the network of other franchisees of the System and to the operation of the Franchised Business, as well as to the members of the purchasing public who have come to rely upon Franchisor and its network for reliability and promptness. Compliance with each such component is of the essence to this Agreement. Hence, Franchisee undertakes to conduct the Franchised Business at all times in full compliance with the System and each of its components. It is expressly understood and agreed that such services include, but are not limited to, providing junk removal and/or moving services to Franchisee's clients and such other related services as may be authorized by Franchisor to be offered from time to time. Franchisor may, from time to time, conduct market research and testing to determine consumer trends and salability of new products and services. Franchisee must cooperate by participating in Franchisor's market research programs, test marketing new products and related services and providing timely reports and other relevant information regarding marketing research. In connection with such test marketing, Franchisee must execute any agreement required by Franchisor related to such test marketing, purchase a reasonable quantity of products to be tested and effectively promote and make a reasonable effort to sell such products and related services.

9.1.1 Franchisee shall operate the Franchised Business in an efficient and professional manner in accordance with the highest ethical and moral standards. Franchisee shall, as well, comply with all recommendations and standards of quality and service prescribed from time to time by Franchisor in the Manual or otherwise. Franchisee may not discriminate against anyone to whom the Franchised Business provides Services and may not refuse any request for Services from within the Designated Territory. Notwithstanding the foregoing, Franchisee reserves the right to refuse a request for Services only if the Services request will compromise the safety of Franchisee, its employees and/or the client.

9.1.2 Franchisee shall obtain an office space from which to operate the Franchised Business and all service calls will emanate from such office set forth in this Franchise Agreement. Franchisee acknowledges and understands that Franchisor does not provide site selection assistance, nor does it evaluate or approve any site chosen by Franchisee.

9.1.3 Franchisee shall, at all times during the term of this Agreement, keep the Franchised Business adequately capitalized to operate the Franchised Business. Franchisee is required to maintain the minimum liquid capital requirements required by Franchisor, which shall not be less than the equivalent of six (6) months of operating capital for the entirety of the Designated Territory. For purposes of this Section 9.1.3, "liquid capital" shall include all cash, loans, lines of credit of the Franchised Business, or such other assets as can be liquidated in less than one (1) week.

9.2 Development of Business

After execution of this Agreement and payment of the Initial Franchise Fee, Franchisee must equip the Franchised Business, complete the Training Program (as required by Section 5.3 of this Agreement), and commence operation of the Franchised Business no later than thirty (30) days after the date Franchisor approves Franchisee's Designated Territory or ninety (90) days after this Agreement is executed, whichever occurs first. Franchisee may establish the office for the Franchised Business within the majority owner's residence (subject to local zoning laws). Franchisor does not evaluate the location.

9.2.1 Franchisee shall be excused from the timely performance of his/her obligations under this Section if the cause of delay is beyond the reasonable control of Franchisee. Such cause would include, by way of illustration, strikes, fires and acts of God or other causes which Franchisee could not, by the exercise of due diligence, have reasonably avoided; provided, however, that any such cause shall not relieve Franchisee of his/her requirement to pay fees to Franchisor as described herein.

9.3 Compliance with Laws and Good Business Practices

Franchisee shall secure and maintain in force in its name all required licenses, permits and certificates relating to the operation of his/her Franchised Business. Franchisee shall operate his/her Franchise in full compliance with all applicable laws, ordinances and regulations, including without limitation all government regulations relating to environmental protection, occupational hazards and health, worker's compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales taxes. Franchisee shall, in all dealings with his/her clients, suppliers, the Franchisor and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee agrees to refrain from any business or advertising practice which may be injurious to the business of the Franchisor and the goodwill associated with the Proprietary Marks and other Franchised Businesses. Franchisee and its employees shall be required to wear any uniforms that Franchisor determines, in the best interests of the System, to have all of its franchisees and their employees wear. Failure to wear such designated uniforms shall cause Franchisor to provide Franchisee notice of violations of its systems and procedures and which could, in turn, lead to a notice of termination of this Agreement.

Without limiting the generality of this Section 9.3, Franchisee certifies that neither Franchisee nor its owners, employees or anyone associated with Franchisee is listed in the Annex to Executive Order 13224. (The Annex is available at <http://www.treasury.gov/offices/enforcement/ofac/sdn>.) Franchisee agrees not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, employees, or anyone associated with Franchisee being listed in the Annex to Executive Order 13224. Franchisee agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee certifies, represents, and warrants that none of its property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, and Franchisee

specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in Article XIII of this Agreement pertain to Franchisee's obligations under this Article IX. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its owners, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's affiliates in accordance with the terms of this Agreement. As used herein, "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

9.4 Franchisee to Supervise

Franchisee is required personally and directly to operate and exercise daily supervision over the operation of the Franchised Business, unless otherwise permitted in writing by Franchisor.

9.4.1 If Franchisee is a corporation, any shareholder owning at least seventy-five (75%) percent of the issued and outstanding shares of said corporation, or the chief executive thereof, shall fulfill the requirement set forth in Section 9.4 above. If Franchisee is a limited liability company or partnership, any member or partner owning at least seventy-five (75%) percent of the equity of the limited liability company or partnership shall fulfill this requirement.

9.4.2 If Franchisee wishes to operate an additional business which may compete with or distract from the Franchised Business during the term of this Agreement, Franchisee must receive Franchisor's approval before beginning the other business. Franchisee shall provide Franchisor with a business plan that will describe in substantial detail how the Franchised Business will be operated according to the terms of this Agreement and Franchisor's requirements while simultaneously operating a second business. If Franchisor believes that the operation of the second business will adversely affect the operation of the Franchised Business, Franchisor may disapprove of Franchisee's operation of such additional business. Franchisor's approval will not be unreasonably withheld. Franchisor reserves the right to approve participation in another business by any of Franchisee's principals and/or affiliates who are involved in the operation of Franchisee's Franchised Business. Franchisee may operate an additional business without Franchisor's prior consent, provided that such business does not compete with or distract from the Franchised Business.

9.5 Service Vehicle

Franchisee shall be obligated to purchase or lease the Service Vehicle required by Franchisor to be used in the operation of the Franchised Business, the specifications for which are set forth in the Manual and are subject to change from time to time. If Franchisee wishes to purchase a used Service Vehicle, such Service Vehicle shall be approved by Franchisor prior to its purchase.

9.5.1 Use of Service Vehicle. Franchisee and his/her employees, agents and independent contractors shall travel to Franchisor's clients' and prospective clients' residential or small commercial properties only in Service Vehicles that have been acquired, designed, equipped, painted, decal, decorated and/or otherwise outfitted as specified and approved by Franchisor and no others. It is acknowledged that such restriction is necessary to present a uniform appearance to the public. Franchisee

understands and acknowledges that the Service Vehicle shall only be used for projects and work approved and/or authorized by us, and for no other purpose.

9.5.2 Condition. Franchisee shall maintain his/her Service Vehicles in good working order, performing scheduled maintenance as recommended by the manufacturer and repairing all malfunctions promptly. Franchisee shall also ensure that each Service Vehicle is equipped with all of the items and accessories required by Franchisor, as well as displaying approved signage. Franchisee shall be required to replace a Service Vehicle every seven (7) years, or earlier, depending solely on the age and condition of the Service Vehicle.

9.5.3 Cleanliness and Appearance. Franchisee shall keep all of his/her Service Vehicles neat and clean, and consistent with the image of the Franchised Business as a professionally operated junk removal and/or moving services business.

9.5.4 Disposition. Under no circumstances shall Franchisee allow a Service Vehicle to come into the possession of anyone who is not a College Hunks Moving® or College Hunks Moving® franchisee without first removing and/or obliterating all the Proprietary Marks. When Franchisee's disposes of any Service Vehicle, he/she must inform the Franchisor of the disposition in writing, including verification of the removal of all signage and Proprietary Marks. In addition, during the term of this Agreement, Franchisee may not, without the Franchisor's written consent, assign or sublet a lease for any Service Vehicle.

9.5.5 Safe Driving. Franchisee shall hire and use only safe and courteous drivers of his/her Service Vehicles.

9.5.6 Compliance with Law. Franchisee shall at all times cause himself/herself and his/her employees, agents and independent contractors, along with all Service Vehicles, to be in full compliance with all applicable laws and regulations pertaining to all Service Vehicles, including, but not limited to, any requirements relating to licensing of drivers.

9.5.7 Taxes and License Fees. Franchisee shall promptly pay all license and use charges and taxes assessed on or pertaining to his/her Service Vehicles, and shall hold Franchisor harmless therefrom.

9.5.8 Inspection. The Franchisor, by its agents, employees and attorneys, shall have the right at all times during business hours, and without prior notice to Franchisee, to inspect the interior and exterior of Franchisee's Service Vehicles to ascertain if Franchisee is in compliance with this Agreement. Such inspection may include verification of correct registration, licensing and insurance. Franchisee shall cooperate, and shall cause his/her employees to cooperate, fully with such inspection, and shall give his/her permission as may be necessary to allow Franchisor to obtain government and insurance company records pertaining to ownership and operation of the Service Vehicles, and promptly deliver the information and documentation referred to herein to Franchisor, upon Franchisor's request.

9.5.9 Additional Service Vehicles. Franchisee may add additional Service Vehicles to better serve his/her clients, subject to the advance written consent of Franchisor. Franchisor shall not unreasonably withhold its consent allowing Franchisee to add a Service Vehicle, but may request, and Franchisee shall provide, any information relating to Franchisee's Franchised Business to assist Franchisor in making its determination. In the event Franchisee owns more than one (1) Zone, he/she must lease or purchase at least one (1) Service Vehicle for each Zone (see the rollout schedule on Exhibit "A" hereto).

9.5.10 Reports. Franchisee shall, when upon adding a Service Vehicle to the Franchised Business, report to Franchisor in writing the identity of the Service Vehicle Franchisee is adding. Also, Franchisee shall, from time to time as requested by Franchisor or pursuant to this Agreement, report to Franchisor in writing the identity of all Service Vehicles Franchisee is then using in connection with the Franchised Business. Franchisee shall also report to Franchisor in writing each time Franchisee disposes of any Service Vehicle, setting forth the date of disposition, the name and address of the purchaser and a description of the measures taken to obliterate all resemblance to a College Hunks Hauling Junk® or College Hunks Moving® Service Vehicle. These reports shall also include such other information as Franchisor may reasonably require, and shall be made on such forms, and at such times, as prescribed by Franchisor.

9.5.11 Lease of Service Vehicle. In the event Franchisee leases his/her Service Vehicle(s), rather than purchasing them, the following shall apply:

(a) Franchisee shall provide Franchisor with a copy of the proposed lease offer for the Service Vehicle for Franchisor's approval. Upon execution of the lease for the Service Vehicle(s), Franchisee shall provide Franchisor with copies of all lease documents, including the vehicle identification number for each Service Vehicle.

(b) Contemporaneously with the execution of the lease for the Service Vehicle, each of the lessor, Franchisee (as lessee) and Franchisor (as conditional lessee) shall execute a Conditional Assignment of Service Vehicle Lease in the form of Exhibit "E" hereto. Franchisee shall be solely responsible for obtaining execution of such Conditional Assignment by lessor.

9.5.12 Hazardous Materials. Franchisee will not deal in any way with any hazardous materials, including, but not limited to, oil or gasoline, except in connection with the operation of the Service Vehicles; asbestos, any materials containing or contaminated with PCBs; liquid waste or sludge of any sort; septic tank sludge or waste; solvents, liquid paints or chemicals; and any other item which may be considered a Hazardous Material, as such term is defined by the laws applicable to the Designated Territory.

9.6 Acknowledgments

Franchisee acknowledges that he/she is one of a number of franchisees, each of whose success depends in substantial part on the integrity, reputation and marketing efforts of each other franchisee. Franchisee further acknowledges that the value of the Proprietary Marks and of membership in the System to Franchisee, to Franchisor and to each other franchisee depends on the maintenance of uniform standards of quality, integrity and appearance. Franchisee further acknowledges that any action which impairs the reputation and goodwill of the Proprietary Marks, impairs or adversely affects the objectives of the Franchisor or brings the Franchisor into disrepute, or departs from the uniform practices specified by Franchisor, will be likely to injure all members of the System.

9.7 Franchisor's Directives

Franchisee agrees that he/she will at all times adopt and follow all the Franchisor's directives concerning the appearance of Franchisee's premises and Service Vehicles, the quality and appearance of goods and services offered, the appearance of Franchisee and his/her staff, other business practices and other matters likely to affect the public perception of the System as a unified and reliable network of

companies. Franchisee will offer all of, and only, the goods and services which Franchisor authorizes for College Hunks Moving® and/or College Hunks Moving® businesses.

9.8 Variances

Complete and detailed uniformity under many varying conditions may not be possible or practicable, and Franchisor therefore reserves the right and privilege, at the sole and absolute discretion of Franchisor and as Franchisor may deem in the best interest of all concerned in any specific instance, to vary standards to accommodate special needs of Franchisee, or those of any other franchisee, based upon the peculiarities of a particular site or location, density of population, business potential, population of trade area, existing business practices, requirements of local law or local custom, or any other condition which Franchisor deems to be of importance to the successful operation of such franchisee's business. Further, Franchisor may from time to time allow certain franchisees to depart from normal System standards and routines in certain respects in order to experiment with or test new products or services, equipment, Service Vehicles, designs, procedures and the like. In no event shall such variance, or such testing, be deemed a waiver of any of Franchisor's rights, or an excuse from performance of any of Franchisee's duties hereunder. Franchisor may at any time require Franchisee to commence full compliance with all of Franchisor's standards and procedures. Franchisor shall not under any circumstances be required to grant any variance to Franchisee. Nothing contained in this Article is intended to confer on Franchisee any right to compel Franchisor to grant a variance to Franchisee or to grant, withdraw or modify any variance given to any other franchisee. Such matters shall at all times remain within the sole and absolute discretion of Franchisor.

9.9 Client Referrals

Franchisee acknowledges that he/she is required to refer prospective customers to the designated Customer Loyalty Center. The Customer Loyalty Center has the primary scheduling database and will be the central point of contact for all customers.

9.10 Former Franchisees

Franchisee acknowledges that former franchisees (those whose franchise agreements have expired or have been terminated) are in a position to compete unfairly with the Franchisee and/or other members of the System, and to cause great injury to the reputation of the System and/or the Proprietary Marks. Franchisee therefore agrees as follows:

9.10.1 Franchisee will not sell, loan, give or otherwise transfer or deliver to any former franchisee, or allow any former franchisee to copy or otherwise obtain, any confidential business information about the System; any advertising or promotional materials produced by the Brand Development Fund or by Franchisor or which bear any of the Proprietary Marks; any other materials or publications of Franchisor, including, without limitation, the Manual; any directory or roster of franchisees or Approved Suppliers, any other client lists or mailing lists pertaining in any way to the System; or any other information about the Franchised Business or the System which is not available to the public.

9.10.2 Franchisee will not refer prospective clients to any former franchisee.

9.10.3 Franchisee will not notify or advise any former franchisee of, or in any other way assist any former franchisee in learning about, the date, time and place of any meetings of franchisees.

9.10.4 If Franchisee observes any former franchisee using any of the Proprietary Marks in any way, or utilizing business premises or motor vehicles from which the Proprietary Marks and/or

distinctive color scheme have not been completely obliterated, Franchisee shall immediately report such observation to Franchisor, along with all details available to Franchisee.

9.10.5 Franchisee shall in general have no dealings with any former franchisees of the System.

9.10.6 The provisions of Section 9.10 of this Agreement shall apply to Franchisee as soon as Franchisee is on notice of the expiration or termination of another franchise agreement. Franchisee shall be deemed to be on such notice when:

(i) Franchisee receives a new Franchisee Directory in which such franchise does not appear; or

(ii) Franchisee receives written notice from Franchisor that one (1) or more particular franchise agreements have expired or have been terminated.

9.11 Computer Hardware

Franchisee shall (at his/her sole cost and expense) acquire computer hardware meeting Franchisor's specifications. Franchisee understands and acknowledges that such computer hardware is required to utilize the Software. In addition, Franchisee shall provide to Franchisor any user IDs and passwords that Franchisor requires.

9.12 Authorized Products and Services

The reputation and goodwill of the Franchisor is based upon, and can be maintained and enhanced only by the provision of high quality Services and other related products and services. Franchisee agrees, therefore, that he/she will only offer such Services and other products and services that the Franchisor shall authorize for the Franchised Business, including but not limited to any newly developed proprietary products or equipment by the Franchisor. Franchisee further agree that he/she will not sell his/her client list(s) or client contracts, or otherwise use his/her client list(s) for any purpose other than in connection with the operation of his/her Franchised Business. Franchisee agrees that he/she will not, without the prior written approval by the Franchisor, offer or sell any type of service or offer, sell or use any product that is not authorized by Franchisor for the Franchised Business. Franchisee further agrees that any equipment used in Franchised Businesses shall not be used for any purpose other than the operation of his/her Franchised Business in compliance with this Agreement.

9.12.1 If Franchisee proposes to offer for sale through the Franchised Business any products or services not previously designated or approved by Franchisor, then Franchisee must first submit the proposed product or service to Franchisor for consideration and approval. Franchisor will consider the proposed product or service and respond to Franchisee within a reasonable time as to whether or not the product or service is approved for sale through the Franchised Business. Franchisor reserves the right to make alterations to the proposed product or service as a condition of approval. Franchisee acknowledges and agrees that, with respect to any change, amendment, or improvement in the System or proposed products or services for which Franchisee requests Franchisor's approval: (i) Franchisor shall have the right to incorporate the proposed change into the System and shall thereupon obtain all right, title, and interest therein without compensation to Franchisee, (ii) Franchisor shall not be obligated to approve or accept any request to implement change, and (iii) Franchisor may from time to time revoke its approval of particular change or amendment to the System, and upon receipt of written notice of such revocation, Franchisee shall modify its activities in the manner described by Franchisor. It is understood and agreed that information, improvements to the System or techniques prepared, compiled

or developed by the Franchisee, its employees or agents during the term of this Agreement and relating to the Franchised Business, whether developed separately or in conjunction with the Franchisor, shall be considered as part of the Know How. Franchisee hereby grants to the Franchisor an irrevocable, worldwide, exclusive, royalty-free license, with the right to sub-license such product or service.

9.13 Approved Products and Supplies

Franchisee agrees that all products and supplies used in his/her Franchised Business shall comply with the Franchisor's specifications and quality standards. In order to maintain uniformity of concept and quality, all proprietary materials and forms used by Franchisee shall be purchased from Franchisor or its affiliates in accordance with the terms and procedures set forth in the Manual. The use or sale of unapproved products or services shall constitute a material and incurable breach of this Agreement. The Franchisor shall provide Franchisee with a list of approved products and supplies and shall from time to time issue revisions thereto. If Franchisee wishes to use any type or brand of product or supply item or wishes to purchase products or supplies from a supplier that is not currently approved by the Franchisor, Franchisee shall notify the Franchisor of his/her desire to do so and submit to the Franchisor specifications, photographs, samples and/or other information requested by the Franchisor. The Franchisor shall, within a reasonable time, determine whether such products, supplies or such supplier meets its specifications and standards and notify Franchisee whether he/she is authorized to use such product or supply item or purchase from such supplier.

9.14 Employees

Franchisee is required to comply with the policies and procedures for the selection of employees and independent contractors as set forth in the Manual and shall be required to uphold and represent the System to the highest standards).

9.15 Employee Training

Franchisee shall offer such continuing training programs to his/her personnel as are specified in the Manual.

9.16 Advertising

Franchisee shall comply with all of the obligations regarding advertising as are set forth in Article XI of this Agreement.

9.17 Hours of Operation

The Franchisee shall operate his/her Franchised Business during those hours prescribed in the Manual.

9.18 Inspection

Franchisor or any of its authorized agents or representatives may, upon reasonable notice, inspect the Franchised Business during normal business hours to determine whether it is in compliance with this Agreement and with the System, including compliance with the minimum liquid capital provisions set forth in Section 9.1.3.

9.18.1 Further, Franchisee understands and consents to Franchisor's ability to access all files, data, accounts, reports and the like resulting from Franchisee's transmission of any required reports to Franchisor via computer.

9.18.2 If any such inspection should reveal that the Franchised Business is not adequately capitalized, such event shall be considered a default of this Agreement and Franchisee shall have thirty (30) days within which to cure said default by bringing the capitalization of the Franchised Business up to required levels. Franchisee must, within said thirty (30) day period, provide Franchisor with evidence that the Franchised Business has been adequately capitalized.

9.19 Reports

Franchisee shall submit to Franchisor such reports regarding the Franchised Business as Franchisor prescribes in the Manual.

9.20 Good Faith

Franchisee shall act in good faith and use his/her best efforts to comply with his/her obligations under this Agreement, and shall cooperate with Franchisor in accomplishing the purposes of this Agreement. Further, Franchisee shall not directly or indirectly engage in any activities which would be detrimental to or interfere with the operation or reputation of the Franchised Business, the Franchisor, the System, or the operations of any other franchisee.

9.21 Ethics

Franchisee agrees to conduct his/her business in a manner that complies with the terms and intent of this Agreement; with national, state and local laws, regulations and ordinances; and with the Franchisor's Code of Ethics (if and when adopted and published by Franchisor). Franchisee hereby authorized any federal, local or state body regulating or supervising junk removal practices to release to Franchisor information related to complaints and to any disciplinary actions taken based upon Franchisee's practices. Franchisee agrees to notify Franchisor within five (5) business days of any such complaints or disciplinary actions. Franchisee also agrees to maintain all permits, certificates and licenses (necessary for his/her franchise operation) in good standing and in accordance with applicable laws and regulations.

9.22 Guaranty

Upon execution of this Agreement, the majority owners of Franchisee (if a corporation or limited liability company), the General or Managing Partner (if a limited partnership) or the individual partners (if a standard partnership) shall each execute the Principal Owners Guaranty in the form annexed hereto as Exhibit "D" of all obligations hereunder, including those of payment of money.

9.23 Customer Satisfaction; Operation of Franchised Business

Franchisee agrees to comply with Franchisor's requirements related to customer satisfaction as set forth in the Manual, including, without limitation, offering a money back satisfaction guarantee. Franchisee further agrees to participate in other customer satisfaction programs initiated by Franchisor, which may include a "mystery shop" program. In addition, Franchisee shall use its best efforts to ensure that the Franchised Business is performing satisfactorily, in Franchisor's opinion. If Franchisor does not believe that the Franchised Business is performing satisfactorily, Franchisee agrees to participate in enrichment training, as described in Article V above. Franchisor shall pay for costs related to a "mystery shop" program, provided that Franchisee is operating its Franchised Business satisfactorily. If Franchisor determines that a significant amount of negative feedback has occurred related to Franchisee's Franchised Business, Franchisor reserves the right, in its discretion, to require Franchisee to pay for all costs of additional mystery shopper services, which Franchisee agrees to pay when incurred and which shall be in addition to Franchisee's obligation to participate in and pay costs related to enrichment training.

9.24 Forms of Payment

You agree that the only forms of payment you may accept from your clients are check and credit card. You understand and acknowledge that this restriction, including the restriction that neither you nor any of your employees may accept cash as a form of payment, is for the benefit and safety of you and your employees.

ARTICLE X **INSURANCE**

10.1 Prior to opening the Franchised Business for business, Franchisee must obtain the insurance coverages required by Franchisor under policies of insurance issued by carriers having an A.M. Best rating of "A" or better. Franchisor's then-current insurance requirements are contained in the Manual and are subject to change during the term of this Agreement. Franchisee agrees to comply with any modified insurance requirements. As of the date of this Agreement, Franchisee shall purchase and maintain the following: (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 the Franchised Business or Franchisee's conduct of business pursuant to this Agreement under one (1) or more policies of 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 or other employer's liability insurance as well as such other insurance as may be required by statute or rule in the state(s) in which the Franchised Business is located or operates; and (3) automobile liability coverage, including coverage of owned, non-owned and hired vehicles, of One Million Dollars (\$1,000,000) per occurrence. Franchisee must maintain all required policies in force during the entire term of this Agreement and any renewals thereof. Franchisor 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 Franchisor (and, if Franchisor so requests, the directors, employees or shareholders of Franchisor) as additional insureds and must provide Franchisor with thirty (30) days' advance written notice of any material modification, cancellation, or expiration of the policy.

Franchisor recommends that Franchisee obtain the following additional coverages: (1) general casualty insurance including fire and extended coverage, vandalism, theft, burglary and malicious mischief insurance for the replacement value of the Franchised Business and its contents; and (2) an umbrella insurance policy.

If Franchisee will provide moving services from the Franchised Business, then Franchisee agrees to purchase the following additional insurance coverages: (1) cargo insurance for damage or loss to the cargo while it is being moved, and coverage while items are being loaded, unloaded or otherwise in Franchisee's possession. Such cargo insurance shall have minimum coverage of Fifty Thousand Dollars (\$50,000) per Service Vehicle, regardless of the Service Vehicle's size or the amount of property being moved; (2) employee dishonesty insurance of not less than Ten Thousand Dollars (\$10,000); and (3) in Franchisee's discretion, a third party dishonesty bond of not less than Ten Thousand Dollars (\$10,000). The dishonesty bond is a recommendation, not a requirement.

Before the expiration of the term of each insurance policy, Franchisee must furnish Franchisor with a Certificate of Insurance for each policy to be maintained for the upcoming term, along with evidence of the payment of the premium for each. If Franchisee does not maintain the required insurance coverage, or does not furnish Franchisor with satisfactory evidence of the required insurance coverage

and the payment of the premiums for same, Franchisor may obtain, at its option and in addition to its other rights and remedies under this Agreement (including termination), any required insurance coverage on Franchisee's behalf. If Franchisor does that, Franchisee agrees to fully cooperate with Franchisor in its effort to obtain the insurance policies, promptly execute all forms or instruments required to obtain or maintain the insurance, allow any inspections of the Franchised Business which are required to obtain or maintain the insurance and pay to Franchisor, on demand, any costs and premiums Franchisor incurs.

10.2 Franchisee's obligation to maintain insurance coverage, as described in this Agreement, will not be reduced in any manner by reason of any separate insurance Franchisor maintains on its own behalf, nor will Franchisor's maintenance of that insurance relieve Franchisee of any obligations under this Article X.

10.3 Franchisor reserves the right to obtain from Franchisee's insurance carrier(s) periodic reports of losses (such as monthly, quarterly and/or annually), and Franchisee shall authorize his/her insurance carrier(s) to provide Franchisor with such reports.

ARTICLE XI **ADVERTISING**

11.1 Approval by Franchisor

Franchisee shall use for his/her advertising and promotional activities only those materials, concepts and programs which have been furnished or approved in advance by Franchisor by specification in the Manual or otherwise. Franchisee acknowledges that Franchisor may be one of, or the only, approved supplier for certain advertising and promotional materials and programs.

11.2 Brand Development Fund

Franchisor has created and will maintain and administer a franchisee Brand Development Fund (the "**Fund**") for such regional advertising and promotional programs as Franchisor may deem necessary or appropriate. The responsibility for creation and administration of the Fund shall remain with Franchisor. Advertising and promotional activities conducted by the Fund shall be funded by Brand Development Fees paid by Franchisee to Franchisor, and Franchisee agrees to participate in any such promotional activities.

Franchisee's Brand Development Fees shall be placed in the Fund, managed by Franchisor. Franchisor agrees that contributions to the Fund shall be used exclusively for advertising and public relations purposes for the exclusive, collective benefit of all participants of the System, including all franchisees and the Franchisor. Franchisor will spend the majority of contributions to the Fund on any of the following: (1) website development and advertising, (2) local or regional advertising, media, promotion or marketing or local or regional public relations programs, (3) other activities connected to the promotion and marketing of the Proprietary Marks and the System; or (4) retaining advertising and/or public relations agencies in relation to developing advertising. Franchisor will also spend a portion of the contributions to the Fund to engage in test marketing, to conduct research, surveys of advertising effectiveness, produce new commercials and other promotional and advertising materials and programs, or other purposes deemed beneficial by Franchisor for the general recognition of the Proprietary Marks and the System. Franchisee shall, upon his/her written request, receive on an annual basis within one hundred twenty (120) days after the end of each fiscal year a report describing the activity of the Fund, which report is not required to be audited. Franchisor shall be entitled to reimburse itself for reasonable accounting, collection, bookkeeping, reporting and legal expenses incurred with respect to the Fund.

Franchisor shall not be liable for any act or omission with respect to the Fund which is consistent with this Agreement or done in good faith.

All sums paid by franchisees to the Fund, and any income earned thereon, shall be maintained by Franchisor in a segregated account and shall be used only for the purposes specified herein; provided, however, that up to ten (10%) percent of the Fund may be expended by Franchisor for administrative costs and overhead related to the administration or direction of the Fund.

The Fund is not the Franchisor's asset. The Fund is not a trust, and the Franchisor does not owe Franchisee fiduciary obligations because of the Franchisor's maintaining, directing or administering the Fund or for any other reason. The Franchisor may spend in any fiscal year an amount greater or less than the aggregate contribution of Franchised Businesses to the Fund in that year and the Franchisor may make loans to the Fund (and the Fund may borrow from the Franchisor or other lenders) bearing reasonable interest to cover any deficits of the Fund or cause the Fund to invest any surplus for future use by the Fund. Any monies remaining in the Fund at the end of any fiscal year shall carry forward to be spent in the next year. The Franchisor may incorporate the Fund or operate it through a separate entity whenever the Franchisor deems appropriate. The successor entity will have all of the rights and duties specified in this Subsection.

Franchisee understands and acknowledges that the Fund is intended to maximize general public recognition and patronage of the Franchised Businesses and the Proprietary Marks for the benefit of all Franchised Businesses. The Franchisor undertakes no obligation to ensure that expenditures by the Fund are proportionate or equivalent to contributions by Franchised Businesses or that any Franchised Business will benefit direct or in proportion to its contribution to the Fund from the conduct of marketing programs or the placement of advertising.

The Franchisor has the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Development Fees at the Fund's expense. The Franchisor also may forgive, waive, settle and compromise all claims by or against the Fund. Except as expressly provided in this Subsection, the Franchisor assumes no direct or indirect liability or obligation to Franchisee for collecting amounts used in maintaining, directing or administering the Fund.

The Franchisor may at any time defer or reduce the Brand Development Fee of a Franchised Business, and upon thirty (30) days' prior written notice to Franchisee, reduce or suspend Brand Development Fees and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If the Franchisor terminates the Fund, the Franchisor will distribute all unspent monies to all Franchised Businesses (whether franchised or operated by the Franchisor or its affiliates) in proportion to their respective Fund contributions during the preceding twelve (12) month period. If Franchisor elects to reinstate the Fund, any reinstated Fund shall be maintained as described herein.

11.3 Telephone Directory Advertising

Franchisee acknowledges that the proper conduct of all promotion programs is not only necessary to the success of the Franchised Business, but is also likely to affect the goodwill and reputation of the Franchisor, the Proprietary Marks, and that of the System. Franchisee shall prepare and place a listing for the Franchised Business in the White Pages of Franchisee's local telephone directories containing such copy as specified by the Franchisor. This initial listing must list only the Call Center's client service number and no other telephone number. An advertisement in the Yellow Pages is not a requirement; however, if Franchisee wishes to place an advertisement in his/her local Yellow Pages, such advertisement must be approved by Franchisor before it may be placed, and any Yellow Pages advertising shall be at Franchisee's sole cost and expense.

11.4 Grand Opening Advertising

Franchisee shall provide Franchisor with a written plan, for Franchisor's approval, for a grand opening advertising campaign to be incurred in connection with the grand opening of the Franchised Business and spend not less than Ten Thousand Dollars (\$10,000) on such campaign, which amount shall include all Zones in the aggregate. Said grand opening advertising campaign shall be conducted within the first sixty (60) days of the Franchised Business being open for business. At Franchisor's option, it may require Franchisee to pay to Franchisor the amount for Franchisee's grand opening advertising campaign, and Franchisor shall spend such money on Franchisee's behalf.

11.5 Local Advertising

In addition to the contributions to the Fund described above, Franchisee shall also be required to spend for each brand owned by Franchisee One Thousand Dollars (\$1,000), whichever amount is greater, each month on local advertising and promotion. Such amount does not include the cost of marketing collateral and supplies. Franchisor may, from time to time, offer Franchisee approved local marketing plans and materials on the same terms and conditions as Franchisor is then offering to its other franchisees. Prior to their use by Franchisee, samples of all local marketing materials not prepared or previously approved by Franchisor shall be submitted to Franchisor for written approval, which approval shall not be unreasonably withheld; provided that Franchisee's advertising and/or marketing materials shall only list the phone number specified by Franchisor and not any other phone number, and further provided that such advertising and/or marketing materials will only reference Franchisor's website and the telephone number of the Call Center. Once approved, such advertising or marketing materials will become Franchisor's property which Franchisor may use for its own purposes. Upon request from Franchisor, Franchisee shall provide Franchisor with verification of all expenditures for local advertising within thirty (30) days of such request. If Franchisee fails to provide such local advertising verification or if Franchisor determines that Franchisee has not expended the required minimum for local advertising, then Franchisor reserves the right to require Franchisee to give Franchisor the money that Franchisee is required to spend on local advertising as described herein, and Franchisor shall advertising in Franchisee's local area on Franchisee's behalf. In such event, Franchisor will provide reports of such local advertising to Franchisee.

11.6 Cooperative Advertising

Franchisor has the right, in its sole discretion, to designate any region or area in which two (2) or more Franchised Businesses are operating as an area in which to establish a Cooperative Fund. If a Cooperative Fund is formed among franchisees within a region, the Cooperative Fund must receive Franchisor's approval, which will not be unreasonably withheld. The Cooperative Fund will conduct advertising campaigns for the Franchised Businesses located in that region. Contributions to a Cooperative Fund are determined by majority vote the Franchised Businesses in the Cooperative Fund. Any amounts paid to a Cooperative Fund will count as part of Franchisee's local advertising requirement; provided, however, that in the event any contribution to a Cooperative Fund is less than the amount Franchisee is required to expend for local advertising, Franchisee shall nevertheless be required to spend the difference locally.

Each Franchised Business owned by franchisees, Franchisor or Franchisor's affiliate(s) that are members of a Cooperative Fund will have one (1) vote on Cooperative Fund matters, regardless of the number of Zones owned by such Franchised Business. Subject to Franchisor's approval, the members of the Cooperative Fund shall determine the contributions to be made to the Cooperative Fund by each Franchised Business. If the members choose to base contributions on a percentage of Gross Sales, then the percentage to be contributed shall not exceed one-half (1/2) of Franchisee's local advertising

requirement. Alternatively, if the members choose to require a flat fee contribution, then the flat fee shall be assessed and payable on each Zone owned by each Franchised Business (therefore, a Franchised Business that has three (3) Zones will pay three (3) times the amount to be paid by a Franchised Business that has one (1) Zone). In either case, the fee contribution shall not exceed one-half (1/2) of Franchisee's local advertising requirement, unless otherwise agreed to by the unanimous vote of the members of the Cooperative Fund.

If a Cooperative Fund for Franchisee's area was established before Franchisee began to operate his/her Franchised Business, then Franchisee shall immediately join that Cooperative Fund upon the opening of the Franchised Business. If a Cooperative Fund for Franchisee's area is established after Franchisee begins to operate the Franchised Business, Franchisee will have thirty (30) days to join the new Cooperative Fund. An individual Franchised Business will not be required to be a member of more than one Cooperative Fund. If Franchisor (or its affiliate) contribute to a Cooperative Fund, Franchisor (or its affiliate) will have the same voting rights as other Franchised Businesses in the Cooperative Fund.

11.7 Social Media Policy

Franchisee shall strictly comply with Franchisor's social media policy, as described in the Manual and as it may be amended or updated from time to time, related to social and/or networking internet websites, including, but not limited to, Facebook, MySpace, Youtube, Yelp, LinkedIn and Twitter.

ARTICLE XII **REPORTING AND FINANCIAL MANAGEMENT REQUIREMENTS**

12.1 Record Keeping

Franchisee shall keep true and accurate records, including those which may be specified by Franchisor from time to time, from which all sums payable under this Agreement and the dates of accrual thereof may be readily determined. Franchisee shall keep such records on his/her business premises at all times, unless Franchisor permits them to be kept at another location. In any event, Franchisee shall at all times inform Franchisor of any change in the location of Franchisee's said records. Franchisee shall be required to make all data and records available to Franchisor upon request. All data retrieved by Franchisor from Franchisee shall become Franchisor's property. Franchisor reserves the right, in its sole discretion, to share Franchisee's data, including but not limited to reports and performance information but excluding any personal data, with other franchisees in the System for purposes of comparison and development.

12.2 Reporting Systems

Franchisee agrees to utilize such reporting and financial control systems as Franchisor may direct.

12.2.1 Franchisee shall maintain on forms approved or provided by Franchisor a monthly sales report and monthly profit and loss statement accurately reflecting the operations and condition of said business.

12.2.2 Franchisee shall employ such methods of filing, record-keeping, bookkeeping, accounting and reporting as Franchisor shall from time to time reasonably require.

12.2.3 Franchisee shall adopt and shall strictly adhere to such methods for control and protection of cash receipts (and of records pertaining thereto) as Franchisor may from time to time direct.

12.3 Reports

To enable Franchisor to verify the Continuing Royalty Fees, Support Fees, Brand Development Fees and other payments due hereunder and to monitor the progress of Franchisee and Franchisee's compliance with this Agreement, in addition to reports otherwise required under this Agreement, Franchisee shall provide to Franchisor written reports in such form and at such times as Franchisor may prescribe. In addition, Franchisor shall, at all times, have on-line access to Franchisee's reports.

12.3.1 Franchisee shall be required to provide the following reports to Franchisor:

(a) By the second (2nd) and seventeenth (17th) day of the month, a report of the sales and income of Franchisee's Franchised Business for the previous period, including such detail as Franchisor may require and in the format required by Franchisor. For the report due to Franchisor on the second (2nd) of each month, the period on which the report is based shall include the sixteenth (16th) day of the previous month through the end of the previous month. For the report due to Franchisor on the seventeenth (17th) day of the month, the period on which the report is based shall include the first (1st) through fifteenth (15th) days of the current month;

(b) By the eighth (8th) day of the month, a report on all disposal, team, fuel, and marketing costs for the previous month;

(c) By the twentieth (20th) day of each month, an income report for the Franchised Business, including such detail as Franchisor may require and in the format required by Franchisor; and

(d) By April 15th of each year, an annual income statement prepared on a calendar year basis, including such detail as Franchisor may require and in the format required by Franchisor.

(e) Franchisor reserves the right to require Franchisee to submit his/her reports at any frequency it chooses, such as weekly, monthly, quarterly, etc.

12.3.2 In the event that Franchisee fails for any reason to provide any of the reports hereinabove required within the prescribed time, Franchisee shall pay a late reporting fee equal to Five Dollars (\$5.00) per hour for each hour or partial hour that such report is late. This fee will only be imposed after 3 written warnings of a violation. Neither the requirement nor the receipt of such late reporting fees shall be deemed to waive or restrict the right of Franchisor to declare a default in, and terminate, this Agreement for Franchisee's failure to make timely reports.

12.3.3 Reports shall be deemed timely made if personally delivered to the offices of Franchisor, electronically transmitted to and received by Franchisor, or postmarked by the U.S. Postal Service (with proper first-class postage prepaid) on or before the required date.

12.4 Audit

Franchisor and its authorized representatives shall have the right at all times during the business day to enter Franchisee's Franchised Business or any other location where books and records relative to the Franchised Business are kept, and to inspect, copy and audit such books and records, including, without limitation, Franchisee's state and federal income tax returns and state sales and use tax and personal property tax returns, and Franchisee hereby waives any privileges with regard to any tax returns.

Franchisee shall cooperate completely and in good faith with such audit, and shall provide and explain all records requested by such auditor or necessary to provide information sought by such auditor.

12.4.1 In the event that any such inspection or audit reveals a variance of more than two percent (2%) from amounts reported by Franchisee to Franchisor, Franchisee shall pay the amount of the deficiency or Five Hundred Dollars (\$500), whichever is greater, and shall reimburse Franchisor for the cost of such audit. In addition to any other rights it may have, including the right of termination of this Agreement, Franchisor may conduct such further periodic audits and/or inspections of Franchisee's books and records as it reasonably deems necessary for up to one (1) year thereafter at Franchisee's sole expense, including, without limitation, reasonable professional fees, travel, and lodging expenses directly related thereto.

12.4.2 If such audit or inspection discloses that Franchisee has underpaid any sums due Franchisor under this Agreement, Franchisee shall pay the same immediately. If such audit or inspection reveals any overpayment by Franchisee, the amount thereof shall be credited against continuing fees next falling due.

12.4.3 In the event that there is a deficiency two (2) times in any twelve (12) month period, this second deficiency shall be considered a material default of this Agreement and Franchisor shall have the right to terminate this Agreement without providing Franchisee the opportunity to cure the default.

ARTICLE XIII

INDEPENDENT CONTRACTOR AND INDEMNIFICATION

13.1 Independent Parties

It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Franchisee is, and shall at all times be and remain, an independent contractor, and that nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

13.2 Independent Contractor

During the term of this Agreement and any renewal hereof, Franchisee shall hold himself/herself out to the public as an independent contractor operating the business pursuant to a franchise granted by the Franchisor. Franchisee shall take such affirmative action as may be necessary to indicate same, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Service Vehicle, business cards, and letterhead, the content of which the Franchisor reserves the right to specify.

13.3 Indemnification by Franchisee

Franchisee agrees at all times to defend, at his/her own cost, and to indemnify and hold harmless to the fullest extent permitted by law, Franchisor, its corporate parent, the corporate subsidiaries, affiliates, successors, assigns, and designees of either entity and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each (Franchisor and all others hereinafter referred to collectively as "**Indemnitees**") from all losses and expenses (as hereinafter defined) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: Franchisee's infringement or any other violation of any patent, trademark or copyright or other proprietary right owned or controlled by third parties;

Franchisee's violation or breach of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; libel, slander or any other form of defamation by Franchisee; Franchisee's violation or breach of any warranty, representation, agreement, or obligation in this Agreement; any acts, errors, or omissions of Franchisee or any of his/her agents, servants, employees, contractors, partners, proprietors, affiliates, or in any manner in connection with the Franchised Business; the inaccuracy, lack of authenticity, or non-disclosure of any information by Franchisee; any service provided by Franchisee at, from, or related to the operation at the Approved Location or from the Service Vehicle; or any services provided by any affiliated or non-affiliated participating entity. For the purpose of this Section, the term "losses and expenses" shall be deemed to include all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, attorneys' fees, experts' fees, court costs, settlement amounts, judgments, compensation for damages to Franchisor's reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting, or replacing same, and any and all expenses of recall, refunds, compensation, public notices, and other such amounts incurred in connection with the matters described. Franchisee agrees to give Franchisor notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. Franchisor reserves the right to assume the defense for such action, suit, proceeding, claim, demand, inquiry or investigation, at Franchisee's expense. The foregoing indemnification shall not apply to losses or expenses arising from Franchisor's gross negligence or willful acts.

13.3.1 At the expense and risk of Franchisee, Franchisor may elect to assume (but under no circumstance is obligated to undertake) the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation, provided that Franchisor will seek the advice and counsel of Franchisee and shall keep Franchisee informed with regard to any such proposed or contemplated settlement(s). Such an undertaking by Franchisor shall in no manner or form diminish Franchisee's obligation to indemnify Franchisor and to hold it harmless.

13.3.2 All losses and expenses incurred under this Section 13.3 shall be chargeable to and paid by Franchisee pursuant to his/her obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by Franchisor or the subsequent success or failure of such actions, activity or defense.

13.3.3 The Indemnitees do not assume any liability whatsoever for acts, errors, or omissions of those with whom Franchisee may contract, regardless of the purpose. Franchisee shall hold harmless and indemnify the Indemnitees for all losses and expenses which may arise out of any acts, errors, or omissions of these third parties.

13.3.4 Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Franchisee. Franchisee agrees that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by the Indemnitees from Franchisee.

13.4 Indemnification by Franchisor

Franchisor agrees at all times to defend, at its own cost, and to indemnify and hold harmless to the fullest extent permitted by law Franchisee, its corporate parent, the corporate subsidiaries, affiliates, successors, assigns, and designees of either entity, and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each from all losses and expenses (as hereinafter defined) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: Franchisor's infringement or any other violation of any patent, trademark, or copyright or other proprietary right owned or controlled by third parties;

Franchisor's violation or breach of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; libel, slander, or any other form of defamation by Franchisor; Franchisor's violation or breach of any warranty, representation, agreement, or obligation in this Agreement. For the purpose of this Section, the term "losses and expenses" shall be deemed to include all losses, compensatory, exemplary, or punitive damages, fines, charges, costs, expenses, lost profits, attorneys' fees, experts' fees, court costs, settlement amounts, judgments, compensation for damages to Franchisee's reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting, or replacing same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described. Franchisor agrees to give Franchisee notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. The foregoing indemnification shall not apply to losses or expenses arising from Franchisee's gross negligence.

ARTICLE XIV **CONFIDENTIAL INFORMATION**

14.1 Franchisee shall not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation any confidential information or Know How concerning, among other things, client identities and information, as well as the methods of operation of the Franchised Business hereunder which may be communicated to Franchisee, or of which Franchisee may become apprised, by virtue of the operation of the Franchised Business at the Approved Location or from the Service Vehicle under this Agreement. Franchisee shall divulge such confidential information only to such of his/her employees or officers and directors who must have access to it in order to operate the Franchised Business. Any and all information, knowledge and know how, including, without limitation, the materials, equipment, specifications, techniques, and other data which the Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to his/her attention prior to disclosure thereof by the Franchisor; or which, at the time of disclosure by the Franchisor to Franchisee, had become a part of the public domain through publication or communication by others; or which, after disclosure to Franchisee by the Franchisor, becomes a part of the public domain through publication or communication by others.

14.2 Franchisee shall require all personnel having access to any Know How or confidential information provided by the Franchisor, or otherwise playing a role in the solicitation or provision of the Services or related services to clients, to execute covenants that they will maintain the confidentiality of information they received in connection with their employment or engagement by Franchisee, in accordance with the form provided as Exhibit "B" hereto. It is expressly understood that Franchisor is designated as a third party beneficiary of such covenants with the independent right to enforce them.

14.3 Franchisee acknowledges that any actual or threatened failure to comply with the requirements of this Article XIV will cause the Franchisor to suffer immediate and irreparable injury, non-compensable by the payment of mere money damages, permitting Franchisor with or without notice to seek immediate injunctive relief. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by the Franchisor when Franchisor seeks to obtain specific performance or an injunction against violation of the requirements of this Article XIV.

ARTICLE XV
COVENANTS NOT TO COMPETE

15.1 In-Term Covenants

Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee shall receive valuable training and confidential information, including, without limitation, information regarding the promotional, operational, sales, and marketing methods and techniques of the Franchisor and the System, and that the covenants not to compete set forth below are fair and reasonable and will not impose any undue hardship on Franchisee, since Franchisee has other considerable skills, experience, and education which afford Franchisee the opportunity to derive income from other endeavors. Franchisee covenants that during the term of this Agreement and for a period of two (2) years thereafter, except as otherwise approved in writing by the Franchisor, Franchisee shall not, either directly or indirectly, for himself/herself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

15.1.1 Divert or attempt to divert any business or client of the Franchised Business hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

15.1.2 Knowingly employ or seek to employ any person who is at that time employed by the Franchisor or by any other franchisee of the Franchisor, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment; or

15.1.3 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any business (including any business operated by Franchisee prior to entry into this Agreement) specializing, in whole or in part, in the activities conducted by the Franchisee, and any other type of service which Franchisee may be authorized to render hereunder and sell any other products and services which Franchisee may be authorized to sell hereunder.

15.2 Post-Term Covenants

Franchisee covenants that, except as otherwise approved in writing by the Franchisor, Franchisee shall not, for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, or upon transfer of this Agreement or the Franchised Business pursuant to Article XVI hereof, and continuing for two (2) years thereafter (and in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for himself/herself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any business specializing, in whole or in part, in the activities conducted by the Franchisee or any other type of service which Franchisee may be authorized to render hereunder:

15.2.1 Within a radius of fifty (50) miles of Franchisee's premises or Approved Location; or

15.2.2 Within a radius of fifty (50) miles of the location of any business using the System and/or the Proprietary Marks, whether franchised or owned by the Franchisor or its subsidiary or affiliated companies.

Notwithstanding the foregoing, if this Agreement is for a conversion franchise, the provisions of this Section 15.2 shall be waived.

15.3 Amendment of Covenants

The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article XV is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which the Franchisor is a party, Franchisee 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 separately stated in and made part of this Article XV.

15.4 Franchisor May Amend

Franchisee understands and acknowledges that the Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 15.1 and 15.2 of this Agreement, or any portion thereof, without Franchisee's written consent, effective immediately upon receipt by Franchisee of written notice thereof. Franchisee agrees that he/she shall comply forthwith with any covenant as so modified, which will be fully enforceable notwithstanding the provisions of this Article XV.

15.5 Existence of Claim

Franchisee expressly agrees that the existence of any claim that he/she may have against the Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by the Franchisor of the covenants in this Article XV.

15.6 Injunction

Franchisee acknowledges that any threatened or actual failure to comply with the requirements of this Article XV would cause the Franchisor to suffer immediate and irreparable injury for which no adequate remedy at law may be available, and Franchisee hereby accordingly consents to the *ex parte* entry of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article XV. The Franchisor may further avail itself of any other legal or equitable rights and remedies which it may have under this Agreement, statute, common law or otherwise.

15.7 Additional Covenants

At the Franchisor's request, Franchisee shall require and obtain execution of covenants identical in scope to those set forth in this Article XV (including covenants applicable upon the termination of a person's relationship with Franchisee) from any or all of the following persons:

15.7.1 Any key persons employed by Franchisee who have received training from Franchisor (it being understood that employees with the rank of "crew leader" and above will be considered "key persons");

15.7.2 All officers, directors and holders of a beneficial interest of five (5%) percent or more of the securities of Franchisee, and of any entity directly or indirectly controlling Franchisee, if Franchisee is a corporation or limited liability company;

15.7.3 The general partners and any limited partners (including any corporation or limited liability company, and the officers, directors, and holders of a beneficial interest of five (5%) percent or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if Franchisee is a partnership; and

15.7.4 Each covenant required to be executed pursuant to this Section 15.7 shall be on a form supplied by the Franchisor, including, without limitation, specific identification of the Franchisor as a third party beneficiary of such covenants with the independent right to enforce them. Failure by Franchisee to obtain execution of a covenant required by this Section 15.7 shall constitute a default under Section 17.2 hereof.

15.8 Liquidated Damages

If Franchisee fails to comply with any non-competition covenant required by this Agreement, Franchisee agrees to (a) immediately cease and desist such non-compliance, and (b) pay to Franchisor liquidated damages in the amount of Ten Thousand Dollars (\$10,000) for such violation. Franchisor also reserves the right to terminate this Agreement, in its discretion.

ARTICLE XVI ASSIGNMENT AND RIGHT OF FIRST REFUSAL

16.1 Assignment by Franchisor

Franchisor shall have the right, without the need for Franchisee's consent, to assign, transfer or sell its rights under this Agreement to any person, partnership, corporation or other legal entity provided that the transferee agrees in writing to assume all obligations undertaken by Franchisor herein and Franchisee receives a statement from both Franchisor and its transferee to that effect. Upon such assignment and assumption, Franchisor shall be under no further obligation hereunder, except for accrued liabilities, if any. Franchisee further agrees and affirms that Franchisor may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's name, Proprietary Marks (or any variation thereof) and System and/or the loss of association with or identification of CHHJ Franchising L.L.C. as Franchisor under this Agreement. Franchisee specifically waives 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.

Franchisee agrees that Franchisor has the right, now or in the future, to 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 College Hunks Moving® facilities operating under the Proprietary Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which Franchisee acknowledges may be proximate to Franchisee's location.

If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the business of providing junk removal services or to offer or sell any products or related services to Franchisee.

Franchisee acknowledges that Franchisor may assign this Agreement as part of a sale, transfer or other disposition of all or part of the System to an entity or entities which engage(s) in similar or competitive businesses. Franchisee acknowledges that any such successor shall be deemed to possess, in addition to all other rights, those specific rights reserved to Franchisor in Section 3.2 hereof; provided,

however, that in the event of a sale or merger by Franchisor with a competitive franchise network, chain or other business, and if such sale or merger would result in a competing business being located in Franchisee's Designated Territory, Franchisee shall have the option, to be exercised within thirty (30) days after notice from Franchisor concerning such sale or merger, to request that Franchisor buy back the Franchised Business according to the terms and conditions set forth in Article XXII below.

16.2 Assignment by Franchisee

Neither Franchisee's interest in this Franchise Agreement nor any of his/her rights or privileges hereunder, nor the Franchised Business nor any interest therein, may be assigned, transferred, shared or divided, voluntarily or involuntarily, directly or indirectly, without the prior written consent of Franchisor, which shall not be unreasonably withheld, and without the Franchisee first complying with Section 16.2.1 hereof. (The use of the term "**assignment**" herein encompasses any actual or purported assignment, sale, transfer or other arrangement having the purpose or effect of shifting ownership or control interests in the Franchised Business.) Any actual or purported assignment of this Agreement or of the Franchised Business in violation of the terms hereof shall be null and void and shall constitute an incurable breach of this Agreement. The actual or purported transfer in the aggregate of more than fifty (50%) percent of the Franchised Business shall be deemed to be an "assignment" hereunder.

16.2.1 Franchisor's consent (such consent not to be unreasonably withheld) to any assignment is subject to the following conditions:

(a) The assignee must demonstrate that it has the skills, qualifications, licensing and economic resources necessary, in Franchisor's judgment, to conduct the Franchised Business and to fulfill its obligations to Franchisee and to Franchisor.

(b) The assignee must expressly assume in writing all of the obligations of Franchisee under this Franchise Agreement.

(c) As of the date of any such assignment, Franchisee shall have fully complied with all of his/her obligations to Franchisor, whether under this Agreement or any other agreement, arrangement or understanding with Franchisor.

(d) The assignee must execute a new Franchise Agreement in the form and on the terms and conditions then being offered by Franchisor to franchisees (except that the assignee shall not be obligated to pay another Initial Franchise Fee). The term of such new Franchise Agreement shall expire on the expiration date of this Franchise Agreement.

(e) Franchisee shall pay the Franchisor a transfer fee equal to Fifteen Thousand Dollars (\$15,000) for Franchisee's entire Designated Territory.

(f) The assignee shall satisfactorily complete the training then required of all new franchisees.

(g) Franchisor shall be furnished copies of the executed contract between Franchisee and any such assignee and all related documentation.

(h) The Franchisee must have executed a general release in a form satisfactory to the Franchisor of any and all claims against the Franchisor, its subsidiaries, affiliates, and designees, and its officers, directors, shareholders and employees in their corporate and individual

capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

(i) The assignee shall not be affiliated in any way with a competitor of Franchisor.

16.2.2 Upon the death of Franchisee, or in the event Franchisee is determined to suffer any legal incapacity (or, if Franchisee is a corporation, limited liability company or partnership, then upon the death or legal incapacity of the shareholder, member or partner responsible for the operation of Franchised Business), the transfer of Franchisee's interest to his/her heirs, legatees, personal representatives or conservators, surviving partner(s) or fellow shareholder(s), as applicable, shall not constitute an "assignment" hereunder and shall not give rise to the Franchisor's right of first refusal to purchase the Franchised Business as set forth in Section 16.4 hereof, if the following conditions are met:

(a) The heirs, legatees, personal representatives, conservators, surviving partner(s) or fellow shareholder(s), as applicable, meet the Franchisor's standards for qualification of new franchisees and agree in writing to be bound by the terms and conditions of this Agreement.

(b) Within ninety (90) days after the death or incapacity of the Franchisee (or, if Franchisee is a corporation, limited liability company or a partnership, within ninety (90) days after the death or incapacity of the principal shareholder, member or partner of Franchisee responsible for the operation of the Franchised Business), a person designated by Franchisee's heirs, legatees, personal representative(s), conservator(s), surviving partners or fellow shareholders or members, as applicable, shall have satisfactorily completed Franchisor's then-current training requirements. If at the time of such death or incapacity Franchisee has employed a manager who has satisfactorily completed any version of Franchisor's Training Program, this requirement shall be deemed satisfied.

(c) In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, Franchisee authorizes Franchisor, who may, at its option, in the event that Franchisee is absent for any reason or is incapacitated by reason of illness and is unable, in the sole and reasonable judgment of Franchisor, to operate the Franchised Business, operate the Franchised Business for so long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by Franchisor shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for Franchisor's representative, shall be charged to said account. If, as herein provided, Franchisor temporarily operates the Franchised Business franchised herein for Franchisee, Franchisee agrees to indemnify and hold harmless Franchisor and any representative of Franchisor who may act hereunder, from any and all acts which Franchisor may perform, as regards the interests of Franchisee or third parties.

16.3 Transfer to a Corporation or Limited Liability Company

In the event Franchisee desires to transfer his/her interests herein to a corporation or limited liability company formed by Franchisee solely for the convenience of ownership, Franchisee must obtain the prior written consent of Franchisor, which consent shall be granted if:

16.3.1 Franchisee shall be the owner of all the voting stock of the corporation or all of the membership interests, as applicable, or, if Franchisee comprises more than one (1) individual, each such individual shall have the same proportionate ownership interest in the corporation or limited liability company as it held in Franchised Business prior to the contemplated transfer; and

16.3.2 Appropriate forms of corporate resolutions, minutes and/or consents, which have been duly adopted, are furnished to Franchisor prior to the transfer.

16.4 Right of First Refusal

The right of Franchisee to assign, transfer or sell his/her interest in this Agreement (voluntarily or by operation of law) and/or the Franchised Business, as provided above, shall be subject to Franchisor's right of first refusal with respect thereto. (Franchisor shall maintain the option of waiving this right in writing.) That is, Franchisor shall have the right to be offered by Franchisee the opportunity to purchase such interest in this Agreement and/or the Franchised Business on the terms and conditions which have been offered to and accepted by a third party in a wholly arms-length transaction. Franchisor's right of first refusal shall be exercised in the following manner:

16.4.1 Franchisee shall serve upon Franchisor a written notice setting forth all of the terms and conditions of the proposed assignment which shall specify the purchase price established by the parties and include reasonably complete information concerning the identity, financial standing and character of the proposed purchaser. Franchisee shall attach to such notice a copy of a binding agreement between Franchisee and the proposed purchaser, which agreement shall, however, be subject to cancellation if Franchisor exercises its right of first refusal hereunder or disapproves of the proposed transfer under Section 16.2.

16.4.2 Within thirty (30) days after Franchisor's receipt of such notice (or, if Franchisor shall request additional information, within thirty (30) days after receipt of such additional information), Franchisor may, at its option, purchase the Franchised Business upon the terms and conditions specified in the notice and the agreement attached thereto.

16.4.3 If Franchisor shall elect not to exercise its right of first refusal and shall consent to an assignment, Franchisee shall, subject to the provisions of this Article, be free to assign this Agreement and/or the Franchised Business to such proposed assignee on the terms and conditions specified in said notice and the agreement attached thereto. If, however, the terms of such agreement shall be materially modified after submission thereof to the Franchisor, Franchisor shall have such right to evaluate such modified agreement for an additional thirty (30) days and, if it chooses to do so, exercise its right of first refusal with respect thereto.

16.5 Franchisor Must Approve

Franchisee shall not have the right to pledge, encumber, hypothecate or otherwise give any third party any security interest in this Agreement or in the Proprietary Properties or the Franchised Business in any manner whatsoever without the express written permission of Franchisor, which permission may be withheld for any reason.

16.6 Addition of Principal

If, at any time during the term of this Agreement, Franchisee wishes to add a person to this Agreement, whether as "Franchisee" or as one of Franchisee's Principals, Franchisee agrees to pay Franchisor a fee equal to Two Thousand Five Hundred Dollars (\$2,500) to reimburse Franchisor for all costs related to such addition unless such person is a spouse or children of Franchisee or its Principals. In any event any additional person must meet Franchisor's qualifications and standards for franchisees.

ARTICLE XVII
DEFAULT AND TERMINATION

17.1 Termination Upon Receipt of Notice

Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate upon receipt of notice to Franchisee, if Franchisee, or any of Franchisee's partners, if Franchisee is a partnership, or any of its officers, directors, shareholders, or members, if Franchisee is a corporation or limited liability company, or the Franchised Business shall become insolvent; or if Franchisee shall make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by or against Franchisee or the Franchised Business and is not dismissed within sixty (60) days of the filing thereof; or if Franchisee or the Franchised Business is adjudicated as bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian of Franchisee or the Franchised Business or its assets is filed and consented to by Franchisee or the Franchised Business; or if a receiver or other permanent or temporary custodian of Franchisee's assets or property, or any part thereof, or of the Franchised Business is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee or the Franchised Business; or if a final judgment against Franchisee or the Franchised Business remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); or if Franchisee or the Franchised Business is dissolved; or if a suit to foreclose any lien or mortgage against the Franchisee or the Franchised Business with respect to his/her or its personal, real or mixed property is instituted against Franchisee or the Franchised Business and is not dismissed within thirty (30) days from the date such suit is instituted; or if execution is levied against Franchisee or the Franchised Business or the property of either of them; or if the real or personal property of Franchisee or the Franchised Business shall be sold after levy thereupon by any sheriff, marshal or constable.

17.2 Termination Without Right to Cure

Upon the occurrence of any of the following events, Franchisee shall be deemed to be in default and Franchisor may, in its sole and exclusive discretion, terminate this Agreement and all rights granted hereunder without affording Franchisee any opportunity to cure the default. Termination under this Section shall be effective immediately upon the earlier of the occurrence of any of the following or receipt of notice by Franchisee:

17.2.1 If Franchisee abandons the Franchised Business by failing to operate such business for a period of ten (10) consecutive days, or any shorter period after which it is reasonable for Franchisor to conclude that Franchisee does not intend to continue to operate the Franchised Business, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the reasonable control of Franchisee;

17.2.2 If Franchisee, or any owner or shareholder, director or officer of a corporate or limited liability company franchisee, or any partner or officer of a franchisee conducting business as a partnership, is convicted of a felony, a fraud, a crime involving moral turpitude or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, or the goodwill associated therewith;

17.2.3 If the Franchisee makes any material misrepresentation relating to the creation, acquisition or operation of the Franchised Business or engages in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business, Franchisor or the System;

17.2.4 If a second (2nd) default by Franchisee occurs within any twelve (12) month period, notwithstanding that a prior default was cured;

17.2.5 If Franchisee's default under this Agreement is by its very nature incapable of being cured;

17.2.6 If Franchisee fails to attend and successfully complete Franchisor's Training Program, fails to satisfactorily complete any required enrichment training, or fails to attend the required Annual Meeting a second time, and such absence is not excused by Franchisor; or

17.2.7 If Franchisee fails to pay the minimum required Continuing Royalty Fee for ninety (90) consecutive days at any time during the term of this Agreement.

17.3 Termination With Right to Cure

Except as otherwise provided in this Agreement, Franchisee shall have either ten (10) or thirty (30) days after receipt from Franchisor of a written notice of termination in which to remedy any default hereunder (or, if the default cannot reasonably be cured within such ten (10) or thirty (30) day period, to initiate within that time substantial and continuing action to cure the default) and to provide evidence thereof to Franchisor. If any default is not cured within that time (or if substantial and continuing action to cure the default is not initiated within that time), or such other period as applicable law may require, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of the thirty (30) day period, or such longer period as applicable law may require. Such defaults shall include, without limitation, the occurrence of any of the following events:

17.3.1 If Franchisee fails, refuses or neglects promptly to pay when due any monies owed to Franchisor (or its affiliates, subsidiaries or designees) or to Franchisee's landlord or fails, refuses or neglects promptly to submit financial or other information required by Franchisor under this Agreement, or makes any false statements in connection therewith;

17.3.2 If Franchisee fails to obtain Franchisor's prior written approval or consent where the same is required pursuant to this Agreement;

17.3.3 If Franchisee misuses, or uses in an unauthorized manner, any of Franchisor's Proprietary Marks, Know How, Copyrights or Software or materially impairs the goodwill associated therewith or Franchisor's rights therein;

17.3.4 If Franchisee participates in any business or in the marketing of any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to any of the Proprietary Marks or if Franchisee (or any of its equity holders, directors, officers, partners or employees) acquires any interest in a business similar to the Franchised Business, except that Franchisee or such other persons may own less than five percent (5%) of the shares of any company listed on any national or regional securities exchange or whose shares are traded through a recognized exchange;

17.3.5 If Franchisee violates or fails to comply with any state or federal law or ordinance that in any manner relates to or impacts upon the provision of or ability to provide junk removal and related services hereunder by Franchisee as an entity, or by any individuals who exercise any level of dominion or control over the operations of Franchisee, including, without limitation, a conviction based upon such a violation, allegation or charge of such violation without explanation that Franchisor shall deem to be reasonably satisfactory, or failure on Franchisee's part to inform Franchisor of the existence of, threat of, charge or allegation of, or conviction of such violation;

17.3.6 If Franchisor exercises its right to buy-out Franchisee pursuant to Section 21.1 and Franchisee refuses to accept the buy-out;

17.3.7 If Franchisee sells, sublicenses, assigns or transfers any interest in this Agreement or the Franchised Business in violation of this Agreement, following a thirty (30) day notice to cure;

17.3.8 If Franchisee violates any covenant not to compete set forth in Article XV of this Agreement, following a thirty (30) day notice to cure;

17.3.9 If Franchisee fails to commence the operation of the Franchised Business within the time provided in this Agreement, following a thirty (30) day notice to cure;

17.3.10 If Franchisee purports to transfer any rights or obligations under this Agreement or any interest in Franchisee to any third party without Franchisor's prior written consent or otherwise in violation of the terms of this Agreement following a thirty (30) day notice to cure;

17.3.11 If Franchisee fails or refuses to perform junk removal and related services for clients following a ten (10) day notice to cure; or

17.3.12 If Franchisee fails to comply with any other provision or requirement of this Agreement or the Manual following a thirty (30) day notice to cure.

17.4 Cross-Defaults, Non-Exclusive Remedies, etc.

Any default by Franchisee (or any person/Company affiliated with Franchisee) under this Agreement may be regarded as a default under any other agreement between Franchisor (or any affiliate of Franchisor) and Franchisee (or any affiliate of Franchisee). Any default by Franchisee (or any person/Company affiliated with Franchisee) under any other agreement, including, but not limited to, any lease and/or sublease, between Franchisor (or any affiliate of Franchisor) and Franchisee (or any person/Company affiliated with Franchisee), and any default by Franchisee (or any person/Company affiliated with Franchisee) under any obligation to Franchisor (or any affiliate of Franchisor) may be regarded as a default under this Agreement. Any default by Franchisee (or any person/Company affiliated with Franchisee) under any lease, sublease, loan agreement, security interest or otherwise, whether with Franchisor, any affiliate of Franchisor and/or any third party may be regarded as a default under this Agreement and/or any other agreement between Franchisor (or any affiliate of Franchisor) and Franchisee (or any affiliate of Franchisee).

In each of the foregoing cases, Franchisor (and any affiliate of Franchisor) will have all remedies allowed at law, including termination of Franchisee's rights (and/or those of any person/Company affiliated with Franchisee) and Franchisor's (and/or Franchisor's affiliates') obligations. No right or remedy which Franchisor may have (including termination) is exclusive of any other right or remedy provided under law or equity and Franchisor may pursue any rights and/or remedies available.

17.5 Limitation on Rights of Termination

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit Franchisor's rights of termination hereunder or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to satisfy the minimum notice periods or

restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by Franchisor that the grounds for termination set forth herein do not constitute “good cause” for termination within the meaning ascribed to that term by any applicable law or regulation. Franchisor shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination thereof.

17.6 Non-Compliance Fee

Unless otherwise set forth in this Agreement, for any violation of this Agreement by Franchisee, Franchisor may, in its sole discretion, assess Franchisee a non-compliance fee ranging between One Hundred Dollars (\$100) and Two Hundred Fifty Dollars (\$250), as outlined in the Manual. Three written warnings will be issued prior to charging this fee. Such non-compliance fee shall be assessed for, among other things, Franchisee’s failure to: (a) comply with all standards, specifications and requirements set forth by Franchisor; (b) maintain the Service Vehicles, including maintenance related to performance of the Service Vehicle, appearance and safety issues; (c) comply with requirements of the Call Center, including missed appointments or responding to calls within the required timeframe, whether or not initiated by the Call Center, the Franchisor or customers; and (d) have all of its employees providing the Services present a neat and clean appearance and to wear the required uniform. The non-compliance fee related to each such non-compliance event shall be contained in the Manual. Each event of non-compliance described herein shall be deemed an event of default hereunder, subject to termination of this Agreement if Franchisee fails to cure the default to Franchisor’s satisfaction. In addition, if Franchisee incurs two (2) non-compliance fees in any twelve (12) month period, whether or not the non-compliance events are the same or different and whether or not cured by Franchisee, Franchisor shall have the right to terminate this Agreement.

17.7 Franchisor’s Right to Discontinue Services to Franchisee

If Franchisee is in breach of any obligation under this Agreement, and Franchisor delivers to Franchisee a notice of termination pursuant to this Article XVII, Franchisor has the right to suspend its performance of any of its obligations under this Agreement including, without limitation, the sale or supply of any services or products for which Franchisor is an approved supplier to Franchisee and/or suspension of Franchisee’s webpage on Franchisor’s Website, until such time as Franchisee corrects the breach.

ARTICLE XVIII **FURTHER OBLIGATIONS AND RIGHTS OF THE** **PARTIES UPON TERMINATION OR EXPIRATION**

18.1 Discontinue Use of Proprietary Properties

In the event of termination or expiration of this Franchise Agreement, Franchisee shall forthwith discontinue the use of the Proprietary Marks, Know How, Copyrights and Software, and Franchisee shall not thereafter operate or do business under any name or in any manner that might tend to give the general public the impression that he/she is in any manner affiliated with Franchisor or a College Hunks Moving® business, or any business similar thereto, and Franchisee shall not thereafter use, in any manner, or for any purpose, directly or indirectly, any of Franchisor’s confidential information, knowledge or know-how concerning the operation, products, services, trade secrets, procedures, policies, techniques or materials or by virtue of the relationship established by this Agreement, including, without limitation, the following:

18.1.1 Standards, specifications or descriptions of Franchisor’s products and services;

18.1.2 Franchisor's Manual and any supplements thereto;

18.1.3 Any forms, advertising matter, marks, devices, signs, insignia, slogans or designs used from time to time in connection with the Franchised Business;

18.1.4 Any copyrights, trademarks, trade names and patents now or hereafter applied for or granted in connection therewith, or any marks, logos, words or phrases confusingly similar thereto or colorable imitations thereof;

18.1.5 Any telephone number listed in any telephone directory under the name College Hunks Moving® or any similar designation or directory listing which relates to the Franchised Business; and

18.1.6 Any and all of the systems, procedures, techniques, criteria, concepts, designs, advertising and promotional techniques, products or service specifications, and all other components, specifications and standards which comprise (or in the future may comprise) part of the System.

18.2 Cancellation of Name

Upon termination or expiration of this Agreement, Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains any name or mark identical or similar to College Hunks Moving® or any other name, trademark or service mark of Franchisor, and Franchisee shall furnish Franchisor with proof of discharge of this obligation within thirty (30) days following the termination or expiration of this Agreement.

18.3 Franchisor is Attorney-in-Fact

Franchisor may, if Franchisee fails or refuses to do so, execute in Franchisee's name and on Franchisee's behalf any and all documents necessary to cause discontinuation of Franchisee's use of the name College Hunks Moving® or any other related or similar name or use thereunder, and Franchisor is thereby irrevocably appointed by Franchisee as Franchisee's attorney-in-fact to do so.

18.4 Continuation of Obligations

The expiration or termination of this Franchise Agreement shall be without prejudice to the rights of Franchisor against Franchisee, and such expiration or termination shall not relieve Franchisee of any of his/her obligations to Franchisor existing at the time of expiration or termination or terminate those obligations of Franchisee which by their nature survive the expiration or termination of this Agreement.

18.5 Cease Using Telephone Numbers

Upon termination or expiration of this Agreement, Franchisee shall cease and desist from using the 1-800 telephone number and any other telephone (including cellular telephone) number(s) listed in any telephone directory under the name College Hunks Moving® or any other name similar thereto and, upon demand of the Franchisor, shall direct the telephone company servicing the Franchised Business to transfer said telephone number(s) to Franchisor, or to such other person or persons at such location or locations as Franchisor shall direct.

18.6 Payment of Sums Due

Upon termination or expiration of this Agreement, Franchisee shall promptly pay all sums owing to Franchisor (and its subsidiaries, affiliates or designees). In the event of termination based upon a

default of Franchisee, such sums shall include all damages, costs and expenses (including actual attorneys' fees) incurred by Franchisor as a result of the default. The obligation created hereunder shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipments, signs, inventory, fixtures or other assets owned by Franchisee at the time of default.

18.7 Post-Term Covenants

Upon termination or expiration of this Agreement, Franchisee shall comply with the post-term covenants not to compete set forth in Article XV hereof.

18.8 Franchisor May Purchase

Upon termination or expiration of this Agreement for any reason whatsoever, Franchisor or its designee shall have the option (but not the obligation) for a period of sixty (60) days from such termination or expiration to purchase all of Franchisee's right, title and interest in the Franchised Business (including, without limitation, inventory and supplies) for a purchase price (the "**Purchase Price**") equal to the lesser of: (i) the depreciated book value of all tangible assets in place and owned by Franchisee as of the date of Franchisor's (or its designee's) exercise of such option; or (ii) the fair market value of all such assets as determined by the application of generally accepted accounting principles less the total of (a) the amount of any indebtedness remaining against or secured by any such assets; (b) the amount of any indebtedness or obligation owed by Franchisee to Franchisor, its affiliates, subsidiaries or designees; (c) the amount of any indebtedness or obligation for which Franchisee or the Franchised Business is liable (directly or indirectly, contingently or otherwise) and for which Franchisor is or may become liable (directly or indirectly, contingently or otherwise) upon acquiring the Franchised Business or otherwise; and (d) all amounts advanced by Franchisor, or which Franchisor has paid, or which Franchisor has become obligated to pay, on behalf of the Franchisee for any reason whatsoever (including, without limitation, interim sums required to be advanced for operations prior to the date of Franchisor's (or its designee's) exercise of the option granted hereunder).

18.8.1 If the parties cannot agree upon the Purchase Price within a reasonable time, an independent appraiser shall be designated by Franchisor, and his determination of the Purchase Price shall be binding on Franchisor and Franchisee. The cost of such appraisal shall be borne equally by the parties and the Franchisee's portion will be reflected by reduction in the purchase price.

18.8.2 If Franchisor exercises its option to purchase the Franchised Business, the Purchase Price shall be payable as follows:

(a) Ten (10%) percent of the Purchase Price shall be paid at the closing of the purchase transaction by bank or certified check.

(b) The balance of the Purchase Price shall be paid over a period of three (3) years in thirty-six (36) equal monthly installments, the first monthly installment being made on the tenth (10th) day of the month following the month in which the initial payment is made. The obligation to make monthly installment payments shall be evidenced by a series of thirty-six (36) negotiable promissory notes of the Franchisor payable to the order of the Franchisee, each bearing interest from the date of the closing at the published "**Prime Rate**" charged by Chase Manhattan Bank, New York, New York, to its most substantial commercial clients and containing provisions to the effect that should any note be unpaid for more than ten (10) days after written notice of default, the remaining notes shall forthwith become due and payable without any further notice; provided, however, that the Franchisor or any holder in due course shall have the right at any time after the calendar year in which the closing takes

place to prepay the notes in multiples of One Thousand Dollars (\$1,000) in inverse order of maturity, together with interest to the date of payment.

18.8.3 If Franchisor exercises its option to purchase the Franchised Business, Franchisee agrees fully to cooperate in effectuating such transaction and undertakes to use his/her best efforts to provide Franchisor and its designees with all such data and documentation as reasonably may be required to give effect to the purposes of this Section.

18.8.4 In the event Franchisor does not elect to exercise the foregoing option to purchase the Franchised Business, Franchisee shall immediately return to Franchisor all materials which bear any of the Proprietary Marks, trade names or copyrighted material. Franchisee shall also destroy any and all materials not otherwise required to be returned to Franchisor in accordance with this Agreement or the Manual. Contemporaneously, Franchisee shall return to Franchisor all copies in his/her possession of materials and documents (including, among other things, the Manual, corporate records and files, correspondence, brochures, agreements, and disclosure statements) relating to the grant or operation of the Franchised Business.

18.9 Discontinue Use; Modification

Upon expiration or termination, Franchisee shall immediately discontinue the use of each and every aspect of the Proprietary Properties, including the Proprietary Marks and trade dress, including the custom designs on vehicles, advertisements, brochures, tee shirts, clothing, or any other article of commercial or other use, and Know How, and thereafter shall no longer use or have the rights to use the Proprietary Properties, or any colorable or confusingly similar variations thereof, or any word, logo or figure similar to the Proprietary Marks or Know How. In the event of expiration or termination, Franchisee will be responsible for the payment of all legal fees, court costs, collection fees and interest incurred in enforcing this Agreement. In the event of any litigation between the parties hereto with respect to the subject matter hereof, the party in any such litigation in whose favor a judgment is entered shall be entitled to have and recover, and the other party agrees to pay, its reasonable attorneys' fees and expenses, in addition to any award to which may be otherwise entitled. In addition, Franchisee understands and agrees that he/she shall immediately repaint any and all Service Vehicles that show markings similar to, or that would cause confusion of the public as misrepresenting, any connection to Franchisor or the System.

18.10 Assignment of Lease for Service Vehicle

At Franchisor's option, Franchisee shall assign to Franchisor any interest which Franchisee has in any lease or sublease for the Service Vehicle(s) pursuant to the Conditional Assignment of Service Vehicle Lease attached hereto as Exhibit "E." Franchisor may exercise such option at or within thirty (30) days after the termination or expiration of this Agreement. Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority for the sole purpose of taking such action as is necessary to complete the assignment of Franchisee's interest in any such lease or sublease upon the exercise of Franchisor's option described herein. This power of attorney shall survive the expiration or termination of this Agreement. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Service Vehicle(s), Franchisee shall make such modifications or alterations to the Service Vehicle(s) as are necessary to remove all signage and obliterate all Proprietary Marks.

18.11 Liquidated Damages

Upon termination of this Agreement by Franchisor for cause, Franchisee agrees to pay to Franchisor within fifteen (15) days after the effective date of this Agreement's termination, in addition to

the amounts owed hereunder, liquidated damages equal to the average monthly Continuing Royalty Fee Franchisee paid or owed to Franchisor during the twelve (12) months immediately preceding termination multiplied by (a) twenty-four (24), being the number of months in two (2) full years, or (b) the number of months remaining in the Agreement had it not been terminated, whichever is greater.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages Franchisor would incur from this Agreement's termination and the loss of cash flow from Continuing Royalty Fees due to, among other things, the complications of determining what costs, if any, Franchisor might have saved and how much the Continuing Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages. The parties hereto further acknowledge and agree that this liquidated damages provision applies if Franchisor terminates this Agreement due to Franchisee's willful non-compliance with the terms of and its obligations under this Agreement, Franchisee's failure to cure a material default within the timeframes required herein, and Franchisee's repeated, willful defaults of this Agreement.

The liquidated damages provision only covers Franchisor's damages from the loss of cash flow from the Continuing Royalty Fees. It does not cover any other damages, including damages to its reputation with the public and damages arising from a violation of any provision of this Agreement other than the Continuing Royalty Fee section. Franchisee and each of its owners agree that the liquidated damages provision does not give Franchisor an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Continuing Royalty Fee section.

ARTICLE XIX

MODIFICATION OF SYSTEM

19.1 Franchisee understands and agrees that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other market place variables, and if it is to best serve the interests of Franchisor, Franchisee, and the network of all other franchisees. Accordingly, Franchisee expressly understands and agrees that Franchisor may from time to time change the components of the System, including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which Franchisee's Franchised Business is authorized and required to offer; modifying or substituting entirely the building, premises, vehicles, equipment, signage, trade dress, decor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which Franchisee is required to observe hereunder; and changing, improving, modifying or substituting the Proprietary Properties. Franchisee expressly agrees to comply with any such modifications, changes, additions, deletions, substitutions and alterations; provided, however, that such changes shall not materially and unreasonably increase Franchisee's obligations hereunder.

Franchisee shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

Notwithstanding the foregoing, Franchisee shall be obligated to replace his/her Service Vehicle at least once every seven (7) years, depending on the age and condition of said Service Vehicle.

19.2 Except as provided herein, Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications contemplated hereby. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, Franchisee expressly waives any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

ARTICLE XX **CALL CENTER**

20.1 Engagement

During the Term (as hereinafter defined), the Franchisor shall provide to the Franchisee the Call Center Services (as hereinafter defined).

20.2 Call Center Services

During the Term, the Franchisor shall provide to the Franchisee such of the following services (collectively, the “**Call Center Services**”):

20.2.1 The Call Center shall host a dedicated telephone number, website, and an e-mail address through which all clients of the Franchisor shall schedule, reschedule, cancel and inquire about estimates and service calls. Service requests shall be distributed to the Franchisee based on (i) geographic location of the client and (ii) Franchisee/client scheduling availability. All current date cancellations and emergency services will be dispatched from the Call Center to the Franchisee via e-mail to phone or wireless PDA, radio dispatch to Nextel, or phone call to wireless cell phone. All non-emergent services will be posted to the Franchisee’s work order list in “real-time.” The Franchisee may log into our company database to view its work orders at any time. The Franchisor and the Franchisee shall use their commercially reasonable best efforts and technological resources to schedule the most efficient travel routes and time availability to decrease wasted travel time.

20.2.2 The Call Center shall receive, record, research and assist in resolving any basic client complaints and concerns. All in-depth issues will be forwarded to the Franchisee for immediate resolution. The Call Center shall provide copies of any invoices or service tickets to the client via mail, fax or e-mail at no additional charge to the Franchisee. The Call Center will conduct courtesy quality service follow-up calls and emails to confirm the price charged (accurate reporting) and to monitor quality control.

20.2.3 The Call Center shall manage and orchestrate any promotional programs designated by the Franchisor.

20.2.4 Call Center Services shall not include legal and accounting services.

20.2.5 The Call Center will provide performance reports for business improvement purposes.

20.2.6 The Call Center will also catalogue all non-booked leads and will identify potential commercial clients for follow-up by franchisee.

20.2.7 The Franchisor shall monitor all client service issues and requests on a daily basis to maintain quality control and protect the franchise “system” and name.

20.3 **Franchisee Responsibilities**

Franchisee shall, at all times during the term of Franchisee’s Franchise Agreement with Franchisor, refer all jobs and inquiries for jobs to the Call Center for both scheduling and follow-up. Franchisee shall not perform any jobs that have not been provided to the Call Center. Franchisee is required to attempt to complete all jobs and/or appointments that are scheduled by the Call Center for Franchisee, including emergency and non-emergency inquiries. The Call Center will request that Franchisee follow-up with a client or potential client, and Franchisee shall report to the Call Center the results of such follow-up. Franchisee shall keep the Call Center apprised of the status of each job, appointment, inquiry, and/or follow-up.

20.4 **Limitations**

20.4.1 **Liability.** THE FRANCHISOR MAKES NO REPRESENTATIONS, WARRANTIES OR GUARANTEES, EITHER EXPRESS OR IMPLIED, CONCERNING THE CALL CENTER SERVICES PROVIDED UNDER THIS AGREEMENT, AND EXPRESSLY DISCLAIMS ANY WARRANTIES OF FITNESS FOR A PARTICULAR USE OR PURPOSE, THE WARRANTY OF MERCHANTABILITY AND ANY OTHER WARRANTY IMPLIED BY LAW. THE FRANCHISOR’S LIABILITY TO THE FRANCHISEE ON ACCOUNT OF ANY ACTS OR OMISSIONS RELATING TO THIS AGREEMENT SHALL BE LIMITED TO PROVEN DIRECT DAMAGES IN AN AGGREGATE AMOUNT NOT TO EXCEED THE AMOUNTS PAID BY THE FRANCHISEE FOR CALL CENTER SERVICES DURING THE TWELVE (12) MONTH PERIOD PRECEDING THE INCIDENT GIVEN RISE TO THE CLAIM FOR DAMAGES, IN NO EVENT TO EXCEED AN AGGREGATE OF \$37,500.00. THE FRANCHISOR SHALL NOT BE LIABLE FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, RELIANCE OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR HARM TO BUSINESS, LOST PROFITS, LOST SAVINGS OR LOST REVENUES, WHETHER OR NOT THE FRANCHISOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FRANCHISOR SHALL NOT BE RESPONSIBLE FOR LOST SERVICES OR REVENUES DUE TO MISCOMMUNICATIONS, WEATHER, SERVICE OUTAGES, INFORMATIONAL TECHNOLOGY UPGRADES OR DOWNGRADES, ACTS OF GOD OR FIRE. THE FRANCHISOR DOES NOT GUARANTEE TO PROVIDE MARKETING OR GENERATE ANY LEADS TO THE FRANCHISEE. THE FRANCHISOR SHALL NOT BE LIABLE FOR ANY DAMAGE THAT THE FRANCHISEE MAY SUFFER ARISING OUT OF USE, OR INABILITY TO USE, THE CALL CENTER SERVICES PROVIDED HEREUNDER UNLESS SUCH DAMAGE IS CAUSED BY THE WILLFUL MISCONDUCT OF THE FRANCHISOR.

20.4.2 **Remedies.** THE FRANCHISOR SHALL NOT BE LIABLE FOR UNAUTHORIZED ACCESS BY THIRD PARTIES TO THE FRANCHISEE’S TRANSMISSIONS. EXCEPT AS EXPRESSLY SET FORTH IN OR CONTEMPLATED BY THIS AGREEMENT, IN ANY INSTANCE INVOLVING PERFORMANCE OR NONPERFORMANCE BY THE FRANCHISOR WITH RESPECT TO CALL CENTER SERVICES PROVIDED HEREUNDER, **THE FRANCHISEE’S SOLE REMEDY SHALL BE REFUND OF A PRO RATA PORTION OF THE PRICE PAID FOR CALL CENTER SERVICES WHICH WERE NOT PROVIDED. AT THE OPTION OF THE FRANCHISOR, EXCEPT AS EXPRESSLY SET FORTH IN OR CONTEMPLATED BY THIS AGREEMENT, IN THE CASE OF REFUND FOR LOST SERVICES, CREDIT WILL BE ISSUED ONLY FOR PERIODS OF LOST SERVICE GREATER THAN TWENTY-FOUR (24) HOURS.** THESE LIMITATIONS OR LIABILITY SHALL APPLY

REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, WARRANTY, STRICT LIABILITY OR TORT, INCLUDING WITHOUT LIMITATION NEGLIGENCE OF ANY KIND, WHETHER ACTIVE OR PASSIVE, AND SHALL SURVIVE.

20.4.3 Failure of an Exclusive Remedy. THE FRANCHISOR SHALL NOT BE RESPONSIBLE FOR (1) SERVICE IMPAIRMENTS CAUSED BY ACTS WITHIN THE CONTROL OF THE FRANCHISEE, ITS EMPLOYEES, AGENTS, SUBCONTRACTORS, SUPPLIERS OR LICENSEES, (2) INABILITY OF THE FRANCHISEE TO ACCESS OR INTERACT WITH ANY OTHER SERVICE PROVIDERS OR USERS, OR (3) SERVICES PROVIDED BY OTHER SERVICE PROVIDERS.

20.5 **Information**

All information provided to the Company or gathered from or about the Franchisee is the exclusive property of the Company. Except as expressly provided in this Agreement, the Company shall be under no obligation to treat any Franchisee information or materials received by the Company from the Franchisee as confidential. To the extent that the Franchisee shall wish that any information or materials be treated as confidential by the Company, the Franchisee must label such information or materials in writing as confidential or, if such materials are disclosed orally by the Franchisee to the Company, provide written summaries of any such disclosed information or materials together with notice of the confidential nature of such information or materials within five (5) days of oral disclosure thereof. Notwithstanding the foregoing, the Company shall have no obligation of confidentiality with respect to any information or materials disclosed to it which (a) was already known to it at the time of its receipt hereunder; (b) is or becomes generally available to the public other than by means of the Company's breach of its obligations under this Agreement; (c) is independently obtained from a third party whose disclosure violates no duty of confidentiality; or (d) is independently developed by or on behalf of the Company without use of or reliance on any confidential information furnished to it under this Agreement.

ARTICLE XXI **MISCELLANEOUS**

21.1 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 the 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 bind the parties hereto, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if Franchisee is a party thereto; otherwise upon Franchisee's receipt of written notice of non-enforcement thereof from the Franchisor. If any covenant herein which restricts competitive activity is deemed enforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof, Franchisee and the Franchisor agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to enter into a successor franchise agreement than is required hereunder, or the taking of some other action not 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 operating procedure prescribed by the Franchisor is invalid or

unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and the Franchisor shall have the right, in its sole discretion, to modify such invalid or enforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Such modification(s) to this Agreement shall be effective only in such jurisdiction, unless the Franchisor elects to give it greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions. Franchisee agrees to be bound by any such modification to this Agreement.

21.2 Waiver of Obligations

The Franchisor and Franchisee may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other. Any waiver granted by the Franchisor shall be without prejudice to any other rights the Franchisor may have, will be subject to continuing review by the Franchisor and may be revoked, in the Franchisor's sole discretion, at any time and for any reason, effective upon delivery to Franchisee of ten (10) days' prior written notice. The Franchisor and Franchisee shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal or neglect of the Franchisor or Franchisee to exercise any rights under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by the Franchisor to exercise any right, power or option, whether of the same, similar or different nature, with respect to other College Hunks Hauling Junk® Franchised Businesses; or the acceptance by the Franchisor of any payments due from Franchisee after any breach of this Agreement.

Neither the Franchisor nor Franchisee shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (3) acts of God; (4) fires, strikes, embargoes, war or riot; or (5) any other similar event or cause. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes shall not excuse payments of amounts owed at the time of such occurrence or payment of Continuing Royalty Fees, Brand Development Fees, Support Fees, Appointment Fees or lease payments due thereafter.

21.3 Injunctive Relief

Notwithstanding anything to the contrary contained in Section 21.6 of this Section, either party may institute in a court of competent jurisdiction an action or actions for temporary or preliminary injunctive relief; provided, however, that such party shall contemporaneously submit the dispute to arbitration on the merits in accordance with Section 21.6 of this Section. Franchisee agrees that the Franchisor may have such temporary or preliminary injunctive relief without bond, but upon due notice, and Franchisee's sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

21.4 Rights of Parties are Cumulative

The rights of the Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by the Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise

or enforcement by the Franchisor or Franchisee of any other right or remedy hereunder or which the Franchisor or Franchisee is entitled by law to enforce.

21.5 Costs and Attorneys' Fees

If the Franchisor incurs expenses in connection with Franchisee's failure to pay when due amounts to the Franchisor, to submit when due any reports, information or supporting records or otherwise to comply with this Agreement, Franchisee shall reimburse the Franchisor for any such costs and expenses which it incurs, including but not limited to reasonable legal, arbitrators', accounting and related fees.

21.6 Mediation and Arbitration

21.6.1 Franchisor and Franchisee acknowledge that during the term of this Agreement disputes may arise between the parties that may be resolvable through mediation. To facilitate such resolution, Franchisor and Franchisee agree that each party shall submit the dispute between them for non-binding mediation at a mutually agreeable location before commencing an arbitration proceeding under Section 21.6.3. If Franchisor and Franchisee cannot agree on a location, the mediation will be conducted in within twenty (20) miles of Franchisor's headquarters. The mediation will be conducted by one (1) mediator who is appointed under the American Arbitration Association's Commercial Mediation Rules and who shall conduct the mediation in accordance with such rules. Franchisor and Franchisee agree that statements made by Franchisor, Franchisee or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding. Each party shall bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate in the mediation.

21.6.2 If any dispute between the parties cannot be resolved through mediation within forty-five (45) days following the appointment of the mediator, the parties agree to submit such dispute to arbitration subject to the terms and conditions of Section 21.6.3.

21.6.3 Except to the extent Franchisor elects to enforce the provisions of this Agreement by judicial process and injunction in Franchisor's sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Florida under the authority of Florida Statutes. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Florida Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Florida Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, Franchisee and Franchisor shall fully perform their respective obligations under this Agreement.

21.6.4 The provisions of this Section shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

21.7 Governing Law

All matters relating to arbitration shall be governed by the Federal Arbitration Act. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the Franchise and the relationship of the parties shall be governed by the laws of the State of Florida, without regard for its conflicts of laws principles.

21.8 Jurisdiction

With respect to actions described in Section 21.3 above and any other actions not subject to arbitration under Section 21.6 above, Franchisee and the Franchisor agree that any action arising under this Agreement or otherwise as a result of the relationship between Franchisee and the Franchisor must be commenced in a state or federal court of competent jurisdiction in the State of Florida. Franchisee irrevocably submits to the jurisdiction of such courts and waives any objection he/she may have to either the jurisdiction or venue of such court.

21.9 Waiver of Punitive Damages

The parties waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages, except punitive or exemplary damages allowed under federal statute. The parties agree that, in the event of a dispute between them, the party making a claim shall be limited to recovery of any actual damages it sustains.

21.10 Waiver of Jury Trial

Each party irrevocably waives trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party.

21.11 Franchisee May Not Withhold Payments

Franchisee agrees that he/she will not, on grounds of the alleged nonperformance by the Franchisor of any of its obligations hereunder, withhold payment of any Continuing Royalty Fees, Brand Development Fees, Support Fees, Appointment Fees, lease payments, amounts due to the Franchisor for purchases by Franchisee or any other amounts due to the Franchisor.

21.12 Binding Effect

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Subject to the Franchisor's right to modify the Manual, this Agreement shall not be modified except by written agreement signed by Franchisee and the Franchisor.

21.13 Limitations of Claims

Any and all claims, except claims for monies due the Franchisor, arising out of or relating to this Agreement or the relationship among the parties hereto shall be barred unless an action or legal or arbitration proceeding is commenced within one (1) year from the date Franchisee or the Franchisor knew or should have known of the facts giving rise to such claims.

21.14 Construction

The preambles and exhibits are a part of this Agreement, which together with the Manual, constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between the Franchisor and Franchisee relating to the subject matter of this Agreement; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by Franchisor in the Disclosure Document that was furnished to Franchisee by

Franchisor. The term “**Franchisee**” as used herein is applicable to one or more persons, a corporation, limited liability company or a partnership, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Franchisee hereunder, their obligations and liabilities to the Franchisor shall be joint and several. References to “Franchisee” and “transferee” which are applicable to an individual or individuals shall mean the principal owner(s) of the equity or operating control of Franchisee or the transferee, if Franchisee or the transferee is a corporation, limited liability company or partnership. References to “controlling interest” in Franchise shall mean greater than fifty percent (50%) of the equity or voting control of Franchisee. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

Except where this Agreement expressly obligates the Franchisor reasonably to approve or not unreasonably to withhold its approval of any action or request by Franchisee, Franchisor has the absolute right to refuse any request by Franchisee or to withhold its approval of any action by Franchisee that requires the Franchisor’s approval. 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.

21.15 Withholding Consent

In no event will Franchisee make any claim, whether directly, by way of setoff, counter-claim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by Franchisor. Franchisee’s sole remedy for any such claim is to submit it to an executive meeting, mediation and arbitration as described in this Agreement and, if executive meeting and mediation fails to resolve such matter, for the arbitrator to order Franchisor to grant such consent.

ARTICLE XXII FRANCHISOR’S BUY-OUT OPTION

22.1 Franchisor’s Rights

Franchisee grants Franchisor the option to purchase all of the assets of the Franchised Business or all ownership interests in the Franchised Business (at Franchisor’s option and which Franchisor may assign to an affiliate) any time after the sixtieth (60th) month of operation of the Franchised Business, if Franchisee is in good standing under this Agreement, on the following terms and conditions. Nothing in this Article XXI shall require Franchisor to exercise the buy back option described herein or to use the valuation formula described below if this Agreement is terminated by Franchisor or if Franchisor chooses to not renew this Agreement because Franchisee was not in compliance at the time of renewal.

22.1.1 Option Period: Unless otherwise provided for in this Agreement Franchisor may exercise its option to acquire the Franchised Business at any time after sixty (60) months following the opening date of the Franchised Business.

22.1.2 Exercise: To exercise its option, Franchisor shall give Franchisee written notice (the “**Acquisition Notice**”) of Franchisor’s intention to do so. The Acquisition Notice shall be sent to Franchisee at least one hundred twenty (120) days prior to the anticipated closing date.

22.1.3 Purchase Price: The parties will work together to determine the valuation to set the purchase price. The parties will utilize good faith and commercially reasonable efforts to determine said valuation. The purchase price will be determined thirty (30) days prior to closing and will be determined as the Entity Value as determined below.

22.1.4 **Entity Value:** Entity Value shall be equal to five (5) times Normalized EBITDA, as defined below.

22.1.5 **Normalized EBITDA:** Normalized EBITDA is defined as follows: EBITDA (Earnings Before Income, Taxes, Depreciation and Amortization) as calculated in accordance with generally accepted accounting principles for the trailing twelve (12) month period prior to the month in which the Acquisition Notice is received. EBITDA will be normalized for the following items: (a) related party transactions as defined by generally accepted accounting principles to be restated at current arms length market rates; (b) excess owners' compensation to be normalized to expected ongoing management expenses; (c) operating leases for containers will be restated as if they were capital leases, increasing EBITDA, with the related lease obligation to be included as a debt obligation of the Franchised Business; and (d) all other lease obligations will be treated in accordance with generally accepted accounting principles. Net Proceeds to Franchisee will be Entity Value plus or minus net working capital (current assets less current liabilities as defined by generally accepted accounting principles) acquired by Franchisor, less all other debt obligations, liabilities, and contingent liabilities of the Franchised Business as defined by generally accepted accounting principles, which are assumed in writing by Franchisor, less the agreed upon value of the container operating leases obligations used to calculate Normalized EBITDA which Franchisor agrees to are to be assumed in writing. Franchisee must be able to show satisfaction of debts, acceptable to Franchisor, for all liabilities of the Franchised Business Franchisor does not agree to assume in writing.

22.1.6 **Releases:** Franchisor will provide a release of liability to Franchisee for all future liabilities of the Franchised Business. Franchisee will not be relieved of any undisclosed or unassumed liabilities prior to closing and for the final settlement of all claims or contingencies at the time of closing.

22.1.7 **CPA:** In case of any disagreement on any of the calculations or determinations, the determination by Franchisor's independent certified public accountants will be final and conclusive.

22.1.8 **Representations and Warranties:** Franchisor shall be entitled to all customary representations and warranties to ensure that Franchisor receives full and complete title to all of the assets or ownership interests it purchases, in such form and content as Franchisor reasonably requires.

22.1.9 **Cooperation:** Franchisee shall cooperate with Franchisor in preparing for the sale of the Franchised Business if Franchisor exercises its repurchase option as described herein. Moreover, Franchisee shall cooperate with Franchisor in furnishing Franchisor with the necessary information to accurately calculate the purchase price.

22.1.10 **Continuing Obligations.** All obligations and covenants under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect until they are satisfied in full or by their nature expire.

21.2 Applicability of Other Provisions

If the Franchisor elects to exercise this buy-out of Franchisee's rights pursuant to this Article, all post-term covenants not to compete contained in Article XV shall be applicable.

ARTICLE XXIII
GENERAL PROVISIONS

23.1 Relationship; Acknowledgments

Franchisee and Franchisor agree that there does not exist any fiduciary, trust or similar relationship between Franchisee and Franchisor, that the relationship between Franchisee and Franchisor is a normal commercial relationship between independent businesspeople intended for mutual but independent economic benefit, and is not in any sense nor is intended to be a fiduciary, trust or similar relationship.

23.1.1 Franchisee acknowledges that he/she and each of its owners (if Franchisee is a corporation, limited liability company or partnership) and investors has read this Agreement and Franchisor's Disclosure Document and all exhibits, and that Franchisee and its owners understand and accept the terms, conditions, and covenants contained in this Agreement as being necessary to maintain Franchisor's high standards of quality and service and the uniformity of those standards at all College Hunks Moving® businesses and thereby to protect and preserve the goodwill of the Proprietary Marks and the System.

23.1.2 Franchisee and Franchisor, each agreeing on the critical practical business importance of their relationship being governed solely by written documents signed by Franchisee and Franchisor (including any concurrently executed written personal guarantees, Statement of Prospective Franchisee and/or exhibits, schedules, addenda, promissory note(s), security agreement(s) or other written documents signed by the party to be bound thereby, all of which will be deemed to be part of this Agreement for the purposes of this Section 23.1.2) and not wishing to create misunderstandings, confusion and possible conflict through reference to any alleged prior and/or contemporaneous oral and/or written representations, understandings, agreements or otherwise, jointly intend and agree that (i) this Agreement contains the final, complete and exclusive expression of the terms of the parties' agreement and entirely supersedes and replaces any and all prior and/or concurrent understandings, agreements, inducements, prior course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) between Franchisee and Franchisor, (ii) there are no prior and/or concurrent understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) which are not fully expressed in this Agreement, and (iii) no prior and/or concurrent understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) of any kind or nature whatsoever have been made by Franchisor or anyone else, nor have been relied upon by Franchisee nor will have any force or effect. Franchisor expressly disclaims any understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) which are not fully expressed in this Agreement. Nothing in this or any related agreement, however, is intended to disclaim the representations made by Franchisor in the Franchise Disclosure Document that was furnished to Franchisee by Franchisor.

23.1.3 Franchisee acknowledges and represents that he/she has not been promised, nor has the Franchisor or any of its representatives, employees or agents made any promises, representations and/or warranties, nor has Franchisee received or relied on any promises, representations or warranties, that (i) any payments by Franchisee are refundable at Franchisee's option, (ii) Franchisor will repurchase any rights granted hereunder (or any associated business) or will be able to assist Franchisee in any resale, (iii) Franchisee will succeed in the Franchised Business, (iv) Franchisee will achieve any particular sales,

income or other levels of performance, (v) Franchisee will have any exclusive rights of any type other than as specifically set forth herein, or (vi) Franchisee will receive any level of advertising (television or otherwise), marketing assistance, site location, development or other services, operational assistance or otherwise other than as expressly set forth in this Agreement. No contingency, condition, prerequisite, prior requirement, or otherwise (including, but not limited to, obtaining financing, obtaining a site or otherwise) exists with respect to Franchisee fully performing any or all of his/her obligations under this Agreement.

23.1.4 Franchisee has not received or relied on (nor has Franchisor or any of its representatives, employees or agents provided) any: sales, income or other projections of any kind or nature or any statements, representations, data, charts, tables, spreadsheets or mathematical calculations or otherwise which stated or suggested any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise, and neither Franchisor nor any of its representatives, employees or agents made, nor has Franchisee relied on, any promises, representations or warranties as to any profits Franchisee may realize in the operation of the Franchised Business, nor has Franchisee received or relied on any representations regarding any working capital or other funds necessary to reach any "break-even" or any other financial level. Franchisor is unable, and does not attempt, to predict, forecast or project future performance, revenues, profits or otherwise of any Franchised Business. If any such information, promises, representations and/or warranties has been provided to Franchisee, it should not be relied on, Franchisor will not be bound by it, and, if Franchisee does rely on such information, promises, representations and/or warranties, Franchisee does so at his/her own risk.

23.1.5 Franchisee acknowledges and agrees that the success of the business venture contemplated to be undertaken hereunder is speculative, is and will be dependent upon Franchisee's personal efforts, that entry into any business enterprise is always associated with risk and that no assurance of success has been or can be given to Franchisee. Franchisee acknowledges and represents that he/she has entered into this Agreement and made an investment only after (i) making an independent investigation of the opportunity, including having received a list, in connection with the presentation of Franchisor's Disclosure Document, of (and having spoken with) other franchisees currently operating College Hunks Moving® businesses (if applicable), and (ii) having had an opportunity to have this transaction and all related documents reviewed by an attorney and a financial advisor of his/her own choosing, such review having been strongly recommended by Franchisor. Franchisee acknowledges that he/she and each person signing as Franchisee (and/or having any investment and/or interest in the Franchised Business) has received, reviewed, understood and fully read and all questions have been answered regarding a copy of the Franchisor's Disclosure Document with all exhibits at least fourteen (14) calendar days prior to the earlier of Franchisee's and/or any such person (a) signing any binding documents or (b) paying any sums.

23.1.6 Franchisee understands that Franchisor is relying on Franchisee to bring forward in writing at this time any matters inconsistent with any of the matters set forth in this Article XXII or otherwise so that Franchisor can correct any misunderstandings and Franchisee agrees that if any of the statements or matters set forth in this Article XXII or otherwise are not true, correct and complete, Franchisee will make a written statement regarding such next to Franchisee's signature below so that Franchisor may address and resolve any such issue(s) at this time and before either party goes forward.

23.1.7 Franchisee acknowledges and agrees that in all of his/her dealings with the Franchisor, the officers, directors, employees, and agents of the Franchisor acted only in a representative capacity and not in an individual capacity. Franchisee further acknowledges that this Agreement, and all business dealings between Franchisee and such individuals as a result of this Agreement, are solely between Franchisee and the Franchisor. Franchisee further represents to the Franchisor, as an inducement

to the Franchisor's entry into this Agreement, that Franchisee has made no misrepresentations in obtaining the Franchised Business.

23.2 Notices

Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein shall be in writing, signed by the party giving the same, and personally delivered or deposited in the United States mail, first-class postage prepaid, certified mail, return receipt requested and electronically. If intended for Franchisor, shall be addressed to it at 1513 East 9th Avenue, Tampa, Florida 33605, with a copy to Harold L. Kestenbaum, Esq., Gordon & Rees LLP, 90 Merrick Avenue, Suite 601, East Meadow, New York 11554. If intended for Franchisee, shall be addressed to Franchisee at the address set forth on page one.

23.2.1 Either party may change its address for notice purposes by giving the other party written notice, as herein provided, of such change.

23.3 Gender

Reference to Franchisee as male, female, or no gender shall include male or female franchisee, general or limited partnership, joint venture, corporation, trust, or any other association or business entity, as relevant in the context.

23.4 Headings

Headings and captions contained herein are for convenience of reference only and shall not be taken into account in construing or interpreting this Agreement.

23.5 References

Any reference herein to any paragraph or other part of this Agreement shall be deemed to include a reference to every subordinate part and/or subparagraph thereof.

22.6 Time of the Essence

It is acknowledged and agreed by both parties that any delay in the performance of its obligations hereunder would irreparably and irrevocably injure the other party in the conduct of its business and the value of its property. The parties therefore agree that time is of the essence of this Agreement. Except as otherwise specifically permitted herein, no extension of time shall be implied, nor any delay allowed, in the timely and complete performance of all covenants herein contained.

23.7 Survival of Terms

Each provision of this Article XXII and those provisions hereinabove provided relating to covenants against post-termination/expiration use of the Proprietary Marks, Know How, Copyrights and Software will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of it) for any reason, will survive and will govern any claim for rescission or otherwise. Each provision of this Agreement will be construed as independent of, and severable from, every other provision; provided that if any part of this Agreement is deemed unlawful in any way, the parties agree that such provision will be deemed interpreted and/or modified to the minimum extent necessary to make such provision lawful or, if such construction is not permitted or available, the remainder of this Agreement will continue in full force and effect. Each party reserves the right to challenge any law, rule or judicial or other construction which would have the effect of varying or rendering ineffective any provision of this Agreement.

23.8 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, Franchisee authorizes Franchisor, who may, at its option, in the event that Franchisee is absent for any reason or is incapacitated by reason of illness and is unable, in the sole and reasonable judgment of Franchisor, to operate the Franchised Business, operate the Franchised Business for so long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by Franchisor shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for Franchisor's representative, shall be charged to said account. If, as herein provided, Franchisor temporarily operates the Franchised Business franchised herein for Franchisee, Franchisee agrees to indemnify and hold harmless Franchisor and any representative of Franchisor who may act hereunder, from any and all acts which Franchisor may perform, as regards the interests of Franchisee or third parties.

23.9 Step-In Rights

If Franchisor determines in its sole judgment that the operation of the Franchised Business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, Franchisee authorizes Franchisor to operate his/her business for as long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies which Franchisor may have under this Agreement. In the sole judgment of Franchisor, Franchisor may deem Franchisee incapable of operating the Franchised Business if, without limitation, Franchisee is absent or incapacitated by reason of illness or death; Franchisee has failed to pay when due or has failed to remove any and all liens or encumbrances of every kind placed upon or against Franchisee's Business; or Franchisor determines that operational problems require that Franchisor operate Franchisee's Business for a period of time that Franchisor determines, in its sole discretion, to be necessary to maintain the operation of the Franchised Business as a going concern.

Franchisor shall keep in a separate account all monies generated by the operation of Franchisee's Business, less the expenses of the Franchised Business, including reasonable compensation and expenses for Franchisor's representatives. In the event of the exercise of the Step-In Rights by Franchisor, Franchisee agrees to hold harmless Franchisor and its representatives for all actions occurring during the course of such temporary operation. Franchisee agrees to pay all of Franchisor's reasonable attorneys' fees and costs incurred as a consequence of Franchisor's exercise of its Step-In Rights. Nothing contained herein shall prevent Franchisor from exercising any other right which it may have under this Agreement, including, without limitation, termination.

ARTICLE XXIV SECURITY INTEREST

24.1 Collateral

Franchisee grants to Franchisor a security interest ("**Security Interest**") in all of the furniture, fixtures, equipment, signage, and realty (including Franchisee's interests under all real property and personal property leases) of the Franchised Business, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Franchised Business. All items in which a security interest is granted are referred to as the "**Collateral.**"

24.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the “**Indebtedness**”):

24.2.1 All amounts due under this Agreement or otherwise by Franchisee;

24.2.2 All sums which Franchisor may, at its option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

24.2.3 All expenses, including reasonable attorneys’ fees, which Franchisor incurs in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting its rights under the Security Interest and this Agreement; and

24.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of Franchisee to Franchisor or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not Franchisee executes any extension agreement or renewal instruments.

24.2.5 Franchisor’s security interest, as described herein, shall be subordinated to any financing related to Franchisee’s operation of the Franchised Business, including, but not limited to, a real property mortgage and equipment leases.

24.3 Additional Documents

Franchisee will from time to time as required by Franchisor join with Franchisor in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to Franchisor.

24.4 Possession of Collateral

Upon default and termination of Franchisee’s rights under this Agreement, Franchisor shall have the immediate right to possession and use of the Collateral.

24.5 Franchisor’s Remedies in Event of Default

Franchisee agrees that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at Franchisor’s option and without notice, become due and payable immediately, and Franchisor shall then have the rights, options, duties, and remedies of a secured party under, and Franchisee shall have the rights and duties of a debtor under, the Uniform Commercial Code of Florida (or other applicable law), including, without limitation, Franchisor’s right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by Franchisor in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to Franchisee pursuant to the notice provisions set forth herein.

24.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined

in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

ARTICLE XXV
SUBMISSION OF AGREEMENT

The submission of this Franchise Agreement to Franchisee does not itself constitute an offer to sell a franchise. This Franchise Agreement shall become effective only upon the execution thereof by Franchisor and Franchisee.

I HAVE READ THE FOREGOING AGREEMENT AND I HEREBY AGREE TO AND ACCEPT EACH AND ALL OF THE PROVISIONS.

FRANCHISEE

By: _____
Name: _____
Title: _____
Dated: _____

CHHJ FRANCHISING L.L.C.

By: _____
Name: _____
Title: _____
Dated: _____

EXHIBIT "A"

CHHJ FRANCHISING L.L.C.

LOCATION OF FRANCHISE

ZONES ENCOMPASSING THE DESIGNATED TERRITORY

The following are the Zones which, when taken together, are identified as Franchisee's Designated Territory. This Exhibit shall be updated when necessary, in the event Franchisee purchases additional Zones, and each such updated version shall be executed by Franchisee and Franchisor.

Zone 1:

Zone 2:

Zone 3:

Zone 4:

SERVICE VEHICLE ROLL-OUT SCHEDULE

[to be determined before execution of the Franchise Agreement]

Accepted and agreed this ____ day of _____, 20__

CHHJ FRANCHISING, L.L.C.

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

EXHIBIT "B"

CHHJ FRANCHISING L.L.C.

FRANCHISE AGREEMENT

EMPLOYEE NON-COMPETITION AND NON-DISCLOSURE AGREEMENT

This Agreement is made this __ day of _____, 20__, by and between CHHJ Franchising L.L.C. (the "Franchisor"), with its principal place of business at 1513 East 9th Avenue, Tampa, Florida 33605, _____, a franchisee of the Franchisor, with its principal place of business at _____ ("Employer"), and _____ residing at _____ ("Employee").

The Franchisor sells franchises operating under the College Hunks Moving® and/or College Hunks Moving® Proprietary Marks, Know How, Copyrights and Software. Such franchises offer junk removal, moving and related services.

The Franchisor has expended considerable time, effort and expense to acquire knowledge and experience in the business of marketing its services to the general public and commercial enterprises. Furthermore, the Franchisor has developed a system for performing junk removal and related services in a timely and efficient manner. The System is operated according to certain confidential and proprietary procedures which include: its client lists, methods of doing business, methods of providing junk removal services, distinctive trade name and logo, proprietary formats, equipment requirements, copyrighted advertising campaigns and materials, uniforms and other items used in operating procedures and certain business techniques, including procedures and instructions set forth in the Franchisor's operations and procedures manual, software, financial data, instructional materials and training programs, research and development, product and service development plans and trade secrets and intellectual property (collectively, the "Confidential Information").

During the course of employment with Employer, Employee has been or will be exposed to and become familiar with various aspects of concepts, designs, procedures, processes and other Confidential Information proprietary to the Franchisor and Employer, and will continue to gain such exposure to and familiarity with such information while employed by Employer. The Franchisor and Employer desire to be assured by Employee that any such information gained during employment with Employer will be regarded as proprietary information and will not be disclosed to any third parties during or after employment, and that Employee will not compete with Employer, the Franchisor or its affiliates.

In consideration of the [continued] employment of Employee by Employer, the [continued] compensation of Employee by Employer during the duration of employment, the [continued] use and enjoyment by Employee of Employer's facilities and equipment, the [ongoing] disclosure to Employee of Employer's confidential and proprietary information, the [continued] opportunity for Employee to serve Employer's clients and clients, and the mutual covenants contained herein, the parties agree:

1. **Confidentiality.** Employee recognizes and acknowledges that during the course of his or her employment, he or she will have access to certain Confidential Information not generally known to the public relating to the services, sales or business of Employer and the Franchisor. Employee recognizes and acknowledges that this Confidential Information constitutes a valuable, special and unique asset of Employer and the Franchisor, access to and knowledge of which are essential to the performance of Employee's duties. Employee acknowledges and agrees that all such Confidential Information including, without limitation that which Employee conceives or develops, either alone or with others, at any time during his or her employment by Employer, is and shall remain the exclusive property of the Franchisor.

2. **Non-disclosure.** Employee agrees that, except as directed by Employer or the Franchisor, Employee will not at any time, whether during or after employment with Employer, use or disclose to any person for any purpose other than for the benefit of Employer or the Franchisor any Confidential Information, or permit any person to use, examine and/or make copies of any documents, files, data or other information sources which contain or are derived from Confidential Information, whether prepared

by Employee or otherwise coming into the Employee's possession or control, without the prior written permission of Employer.

3. Franchisor Materials. Employee will safeguard and return to Employer upon termination of Employee's employment with Employer, or sooner if Employer so requests, all documents and property in Employee's care, custody or control relating to his or her employment or Employer's or the Franchisor's business, including, without limitation, any documents that contain the Confidential Information.

4. Other Employment While Employed by Employer. While employed by Employer, Employee shall not do work that competes with or relates to any of Employer's or the Franchisor's products or activities without first obtaining Employer's written permission. Any business opportunities related to Employer's or the Franchisor's business that Employee learns of or obtains while employed by Employer (whether or not during working hours) shall belong to Employer.

5. Non-competition After Employment by Employer Ends. For a period of two (2) years after Employee's employment by Employer terminates, Employee will not, directly or indirectly, anywhere in the United States: (a) sell, market or propose to sell or market the services that compete or will compete with the Employer's or Franchisor's then-existing business, or (b) become an employee, employer, consultant, officer, director, partner, trustee or shareholder of more than five (5%) percent of the outstanding common stock of, or provide services or information to any person or entity that sells, markets or proposes to sell or market the services performed by the Franchisor.

6. Saving Provision. The parties agree and stipulate that the agreements and covenants not to compete contained in the preceding paragraph, including the scope of the restricted activities described therein and the duration and geographic extent of such restrictions, are fair and reasonably necessary for the protection of Confidential Information, goodwill, and other protectable interests, in light of all of the facts and circumstances of the relationship between the Franchisor, Employee and Employer. In the event a court of competent jurisdiction should decline to enforce any provision of the preceding paragraph, such paragraph shall be deemed to be modified to restrict Employee's competition to the maximum extent, in both time and geography, which the court shall find enforceable.

7. No Guarantee of Employment. This Agreement does not constitute a guarantee of continued employment. Employee's employment is terminable at any time by Employer or Employee, with or without cause or prior notice, unless otherwise provided in a written employment agreement.

8. No Conflicting Agreements. Employee is not a party to any agreements, such as confidentiality or non-competition agreements, that limit Employee's ability to perform his or her duties for Employer.

9. Injunctive Relief. The Employee acknowledges that disclosure of any Confidential Information or breach or threatened breach of any of the non-competition and non-disclosure covenants or other agreements contained herein would give rise to irreparable injury to Employer or the Franchisor, which injury would be inadequately compensable in money damages. Accordingly, Employer or the Franchisor, at its sole discretion, may seek and obtain injunctive relief from the breach or threatened breach of any provision, requirement or covenant of this Agreement, in addition to and not in limitation of any other legal remedies which may be available. Employee further acknowledges, agrees and stipulates that, in the event of the termination of employment with the Employer, the Employee's experience and capabilities are such that the Employee can obtain employment in business activities which are of a different and non-competing nature with his or her activities as an employee of Employer; and that the enforcement of a remedy hereunder by way of injunction will not prevent the Employee from earning a reasonable livelihood. Employee further acknowledges and agrees that the covenants contained herein are necessary to protect the legitimate business interests of Employer and the Franchisor and are reasonable in scope and content.

10. Enforcement. The provisions of this Agreement shall be enforceable notwithstanding the existence of any claim or cause of action against the Franchisor, Employer by Employee, whether predicated on this Agreement or otherwise.

11. Governing Law. The Agreement shall be construed in accordance with the internal laws of the State of Florida. The parties hereto agree to personal jurisdiction in the State of Florida. Employee's obligations under this Agreement supplement and do not supersede the obligations imposed on Employee by the laws of the State of Florida and the United States of America.

12. Legal Expense. In any suit, proceeding or action to enforce any term, condition or covenant of this Agreement or to procure an adjudication or determination of the rights of the Franchisor, Employer or Employee, the prevailing party shall be entitled to recover from the other party reasonable sums as attorneys' fees and costs and expenses in connection with such suit, proceeding or action, including any appeal, which sums shall be included in any judgment or decree entered therein.

13. Waiver of Breach. The waiver of any breach of any provision of this Agreement or failure to enforce any provision hereof shall not operate or be construed as a waiver of any subsequent breach by any party.

14. Assignment. This Agreement is fully assignable by the Employer and all of Employee's obligations survive any transfer or assignment of this agreement or any change in ownership of the Employer.

DATED this ____ day of _____, 20__.

EMPLOYEE:

Name: _____

EMPLOYER:

By: _____

Its: _____

THE FRANCHISOR:

CHHJ FRANCHISING L.L.C.

By: _____

Its: _____

EXHIBIT "C"

CHHJ FRANCHISING L.L.C.

FRANCHISE AGREEMENT

**CONDITIONAL ASSIGNMENT OF
TELEPHONE NUMBERS AND LISTINGS AND INTERNET ADDRESSES**

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS AND INTERNET ADDRESSES (this "**Assignment**") is effective as of _____, 20__, between CHHJ Franchising L.L.C. (the "**Franchisor**"), with its principal place of business at 1513 East 9th Avenue, Tampa, Florida 33605, and _____, whose current place of business is _____ (the "**Franchisee**"). The Franchisor and the Franchisee are sometimes referred to collectively as the "**parties**" or individually as a "**party**."

BACKGROUND INFORMATION:

The Franchisor has simultaneously entered into the certain Franchise Agreement (the "**Franchise Agreement**") dated as of _____, 20__ with the Franchisee, pursuant to which the franchisee plans to own and operate a franchise that will provide junk removal services, including picking up unwanted items from residential or commercial clients and taking it to the appropriate landfill or transfer station for appropriate disposal or recycling, the provision of moving services, and the sale of products and services related thereto (the "**Franchised Business**") using the Franchisor's website, trade name, trademarks and service marks of College Hunks Hauling Junk® and College Hunks Moving®, and phone number (collectively, the "**Proprietary Marks**") The Franchised Business uses certain proprietary knowledge, procedures, formats, systems, forms, printed materials, applications, methods, specifications, standards and techniques authorized or developed by the Franchisor (collectively the "**System**"). In order to protect our interest in the System and the Proprietary Marks, the Franchisor will have the right to control the telephone numbers and listings and internet addresses of the Franchised Business if the Franchise Agreement is terminated.

OPERATIVE TERMS:

The parties agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to the background information. Terms not otherwise defined in this Assignment will have the meanings as defined in the Franchise Agreement.

2. **Conditional Assignment:** FOR VALUE RECEIVED, Franchisee hereby assigns to Franchisor: (a) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the "**Telephone Numbers and Listings**"); and (b) those certain Internet website addresses ("**URLs**"), social media pages, and email addresses including gmail associated with Franchisor's trade and service marks and used from time to time in connection with the operation of the Authorized Business at the address provided above. This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the telephone company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are

collectively referred to herein as "**Telephone Company**") and/or Franchisee's Internet service provider ("**ISP**") to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without extension) for any reason, Franchisor shall have the right and is hereby empowered to effectuate the assignment of the Telephone Numbers and Listings and the URLs, and, in such event, Franchisee shall have no further right, title or interest in the Telephone Numbers and Listings and the URLs, and shall remain liable to the Telephone Company and the ISP for all past due fees owing to the Telephone Company and the ISP on or before the effective date of the assignment hereunder.

3. **Power of Attorney**: Franchisee agrees and acknowledges that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Telephone Numbers and Listings and the URLs, and Franchisee irrevocably appoints Franchisor as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, to direct the Telephone Company and the ISP to assign same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee shall immediately notify the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the URLs to Franchisor. If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the URLs to Franchisor, Franchisor shall direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Telephone Company and the ISP may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Telephone Numbers and Listings and the URLs upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Telephone Company's and ISP's receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Telephone Company or the ISP requires that the parties execute the Telephone Company's or the ISP's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

4. **Indemnification**: You will indemnify and hold us and our affiliates, stockholders, directors, officers and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company and/or ISP.

5. **Binding Effect**: This Assignment is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns.

6. **Assignment to Control**: This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company and/or ISP.

7. **Attorney's Fees, Etc.**: In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to

reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "attorneys' fees" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings.

8. **Severability:** If any of the provisions of this Assignment or any section or subsection of this Assignment are held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected, and will remain in full force and effect in accordance with its terms.

9. **Governing Law and Forum:** This Assignment is governed by Florida law. The parties will not institute any action against any of the other parties to this Assignment except in the state or federal courts of general jurisdiction in Hillsborough County, Florida, and they irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court.

ASSIGNOR:

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Date: _____

By: _____
Print Name: _____
Date: _____

ASSIGNEE:

CHHJ FRANCHISING L.L.C.

By: _____
Print Name: _____
Title: _____
Date: _____

EXHIBIT "D"

CHHJ FRANCHISING L.L.C.

FRANCHISE AGREEMENT

PRINCIPAL OWNER'S GUARANTY

This Guaranty must be signed by the principal owners (referred to as "you" for purposes of this Guaranty only) of (the "Business Entity") under the _____ Agreement dated _____ (the "Agreement") with CHHJ FRANCHISING L.L.C. (the "Franchisor").

1. **Scope of Guaranty.** In consideration of and as an inducement to our signing and delivering the Agreement, each of you signing this Guaranty personally and unconditionally: (a) guarantee to the Franchisor and its successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

2. **Waivers.** Each of you waive: (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.

3. **Consents and Agreements.** Each of you consent and agree 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 the Franchisor may from time to time grant to 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.

4. **Enforcement Costs.** If the Franchisor is required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, you must reimburse the Franchisor for its 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.

5. **Effectiveness.** Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement. This Guaranty is governed by Florida law and the Franchisor may enforce its rights regarding it in the courts of Hillsborough County, Florida. Each of you irrevocably submits to the jurisdiction and venue of such courts.

Each of you now sign and deliver this Guaranty effective as of the date of the Agreement regardless of the actual date of signature.

**PERCENTAGE OF OWNERSHIP
INTEREST IN BUSINESS ENTITY**

GUARANTORS

Print Name: _____
Date: _____

Print Name: _____
Date: _____

Print Name: _____
Date: _____

EXHIBIT "E"

CHHJ FRANCHISING L.L.C.

FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF SERVICE VEHICLE LEASE

THIS AGREEMENT is made this _____ day of _____, 20____ among _____ (Lease Company Legal Name), with an address of _____ (the "Lessor"), _____ (Franchisee name or name on Lease), with an address of _____ (the "Franchisee"), and CHHJ Franchising, L.L.C., a Delaware limited liability company with an address of 1513 East 9th Avenue, Tampa, Florida 33605 (the "Franchisor").

WHEREAS, the Lessor and the Franchisee are parties to a lease agreement (the "Lease") for a vehicle (the "Service Vehicle") described in Schedule A hereto; and

WHEREAS; the Franchisor and the Franchisee are parties to a franchise agreement (the "Franchise Agreement") for the operation of a College Hunks Moving® or College Hunks Moving® business in conjunction with the use of the Service Vehicle; and

WHEREAS; the parties are desirous of entering into an agreement setting out the rights of the Franchisor to assume and assign the Lease as lessee of the Service Vehicle in n certain events;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

1. If the Lease is terminated for any reason whatsoever or if the Franchise Agreement expires or is terminated for any reason whatsoever, then the Franchisee's rights under the Lease shall, at the option of the Franchisor, be transferred and assigned to the Franchisor.

2. In the event that the Lease is terminated as provided in Section 1, then the Lessor shall, within five (5) days of such termination, provide written notice of such termination to the Franchisor, by overnight courier or facsimile transmission to Franchisor's address provided above, which notice shall state the reason(s) for such termination. If the reason(s) for termination include failure to make required payments, the Lessor shall also provide a statement of account of all monies owed by the Franchisee in accordance with the provisions of the Lease.

3. In the event of expiration or termination of the Franchise Agreement as provided in Section 1, and in the further event that the Franchisor (or its affiliate) wishes to assume the Lease as lessee, then the Franchisor shall have thirty (30) days within which to exercise its option to have the Lease transferred and assigned to Franchisor. If Franchisor chooses to exercise its option, it will provide written notice of such election to the Lessor, by overnight courier or facsimile transmission to the Lessor's address provided above, within such thirty (30) day period. The Franchisee acknowledges that the Lessor may rely upon such notice and shall not be required to inquire into the due execution thereof or the accuracy of the statements set forth therein.

4. If the Franchisor wishes to exercise its option to assume the Lease after receipt from Lessor of the termination notice prescribed by Section 2, then the Franchisor shall give written notice of such election to the Lessor in the manner set forth in Section 3. Upon giving such notice, the Franchisor shall have the right to have transferred and assigned unto itself all of the Franchisee's rights and benefits contained in the Lease, as if the notice of termination of the Lease had not been given.

5. If the Franchisor gives written notice pursuant to Section 4 hereof then, if required by the Lessor, acting reasonably, the Franchisor shall execute the Lessor's standard form of assignment whereby the Franchisor shall agree to abide by and be bound by the terms and conditions of the Lease for the balance of the term thereof in the same manner as if the Franchisor had originally been named as the lessee in the Lease, but subject to the provisions of this Agreement.

6. The Franchisor shall, within thirty (30) business days of the Franchisor's notice to the Lessor of its election to assume the Lease, cure any monetary default of the Franchisee and any default of the Franchisee of any non-monetary covenant contained in the Lease, in accordance with the notice of termination of lease given by the Lessor to the Franchisor.

7. During the term of the Lease or any renewal thereof, whenever the Lessor provides notice to Franchisee of his/her default in the payment of amounts due or a default of a non-monetary nature, Lessor shall provide a copy of such notice contemporaneously to Franchisor at its address provided above.

8. So long as the Franchisee is the lessee, the Lease shall not be altered or amended in any way without the prior written approval of the Lessor, the Franchisee and the Franchisor. Any such amendment or alteration shall be null and void and shall not effect or limit the Franchisor's rights hereunder unless approved in writing by the Lessor, the Franchisee and the Franchisor.

9. If the Franchisor exercises its option to assume the Lease as lessee and provided that the Franchisor (as the new lessee) is not in default of any of its obligations or agreements under the Lease, then the Franchisor shall, upon written notice to Lessor, have the right to assign its rights as lessee under the Lease to a duly authorized franchisee of the Franchisor (or its affiliate), who has entered into a new franchise agreement with the Franchisor (or its affiliate), without the consent of the Lessor; provided that any such assignment shall only become effective upon the Franchisor having provided to the Lessor all of the following:

- (a) the name, address and contact person of the assignee;
- (b) a copy of the duly executed franchise agreement between the assignee and the Franchisor (or its of affiliate);
- (c) a duly executed agreement of the assignee, whereby the assignee covenants directly with the Lessor to use the Service Vehicle pursuant to the terms of the Lease (if applicable), to perform each and every of the terms, conditions and covenants of the Lease to be performed on the part of the Franchisee, and that any breach of the new franchise agreement between the assignee and the Franchisor (or its affiliate) shall constitute a breach of the Lease by the assignee, and that any breach of the Lease by the assignee shall constitute a breach of the Franchise Agreement by the assignee; and
- (d) a new conditional assignment of lease (in the Franchisor's then-current form) between the Franchisor, the assignee (as new franchisee) and the Lessor, duly executed by the Franchisor and the assignee, which the Lessor will execute in a timely manner.

10. Upon the date of delivery to the Lessor of all of the documents listed in Section 9, the assignment to the assignee (new franchisee) shall become effective and the Lessor shall provide Franchisor with written confirmation that Franchisor is released from performance of the Lease from and after the effective date of such assignment.

11. Each and every occasion of expiration or termination of a Franchise Agreement or termination of the Lease by Lessor, or both, shall provide Franchisor with the right to exercise its option to assume the Lease as lessee as set forth herein.

12. The Lessor acknowledges that the Franchisor is executing this Agreement solely for the purposes of acknowledging the provisions contained herein and agrees that such execution by the Franchisor shall in no way be construed so as to obligate the Franchisor for the performance of any terms, conditions, obligations and covenants herein, except as specifically set forth in this Agreement. The Franchisee acknowledges and confirms that the Franchisee has reviewed with professional advisors and evaluated the commercial risks inherent in entering into the Lease and this Agreement and the Franchisee hereby waives all rights, claims, demands, actions, or causes of actions whatsoever against the Franchisor, its directors, officers, shareholders, agents, parent company, successors and assigns in the event that the Franchisor should exercise its option to assume the Lease, or elect to not exercise its option to assume the Lease.

13. The Lessor acknowledges that there is good and valuable consideration given to the Lessor for the rights hereby granted by the Lessor to the Franchisor. The Franchisee consents to such rights being granted to the Franchisor.

14. This Agreement shall form an integral part of the Lease.

15. All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by overnight courier or by facsimile transmission, delivered to such other party at his, her or its respective address or facsimile number set forth on page one hereof or at such other address or facsimile number as may be notified by such other party in the same manner to the others from time to time, and such notices, requests, demands, acceptances and other communications shall be deemed to have been received when delivered or, if sent by facsimile, 24 hours after confirmed receipt thereof.

16. This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

17. This Agreement shall be construed in accordance with the laws of the State of Florida.

18. The words "hereof," "herein," "hereunder" and similar expressions used in any section of this Agreement relate to the whole of this Agreement and not to that section only, unless otherwise expressly provided. Reference to any party as male, female, or no gender shall include male or female franchisee, general or limited partnership, joint venture, corporation, limited liability company, trust, or any other association or business entity, as relevant in the context.

19. Each of the parties acknowledges that such party has received, has had ample time to read, and has read this Agreement and fully understands its provisions. Each of the parties further acknowledges that such party has had an adequate opportunity to be advised regarding all pertinent aspects of this Agreement by legal advisors of such party's own choosing.

IN WITNESS WHEREOF the parties have executed this Agreement effective the date first above written.

LESSOR:

By: _____

Name: _____

Title: _____

Duly Authorized

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

CHHJ FRANCHISING, L.L.C.

By: _____

Name: _____

Title: _____

**Schedule A to
Conditional Assignment of Service Vehicle Lease**

Service Vehicle Lease Description:

Effective Date:

Service Vehicle Description:

Year:

Make:

Model:

VIN Number:

EXHIBIT "F"

CHHJ FRANCHISING L.L.C.

FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS

_____ (Name of Person or Legal Entity)
_____ (ID Number)

The undersigned depositor ("**Depositor**") hereby authorizes CHHJ Franchising L.L.C. ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") ("**Bank**") to debit or credit such account(s) pursuant to Franchisor's instructions.

Depository

Branch

City

State

Zip Code

Bank Transit/ABA Number

Account Number

This authorization is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

Depositor

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT "G"

CHHJ FRANCHISING L.L.C.

FRANCHISE AGREEMENT

**TRANSFER OF FRANCHISE TO A
CORPORATION OR LIMITED LIABILITY COMPANY**

This Transfer Agreement hereby amends that certain Franchise Agreement dated _____, 20__ between CHHJ Franchising L.L.C. ("Franchisor") and _____ ("Franchisee").

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below and the Franchisee of the College Hunks Hauling Junk® Business under a Franchise Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate at the location set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Franchisee constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the Corporation, or Limited Liability Company in accordance with the provisions of Section 16.3 of the Franchise Agreement, agree as follows:

1. The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Article XV thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they jointly and severally personally guarantee all of the Franchisee's obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

"The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20__ between _____ and CHHJ Franchising L.L.C."

or

"The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20__ between _____ and CHHJ Franchising L.L.C."

3. _____ or his designee shall devote his best efforts to the day-to-day operation and development of the Franchised Business.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Franchise Agreement executed on the date set forth below between Franchisee and Franchisor, to the same extent as if it were named as the Franchisee therein.

Date of Franchise Agreement: _____

Location of Franchised Business: _____

As to Paragraph 3:

[Name]

As to Paragraph 4:

[Name]

Name of Corp. or Limited Liability Company

By: _____ (SEAL)

Title: _____

In consideration of the execution of the above Agreement, CHHJ Franchising L.L.C. hereby consents to the above referred to assignment on this ____ day of _____, 20__.

CHHJ FRANCHISING L.L.C.

By: _____

Title: _____

EXHIBIT "H"

CHHJ FRANCHISING L.L.C.

FRANCHISE AGREEMENT

PROMISSORY NOTE

\$ _____

[City, State]

Dated: _____

FOR VALUE RECEIVED, the undersigned, _____ ("Maker"), a _____ corporation maintaining an office at _____, hereby promises to pay to the order of CHHJ Franchising L.L.C. ("Payee"), a Delaware limited liability company maintaining an office at 1513 East 9th Avenue, Tampa, Florida 33605, the principal sum of _____ Thousand and 00/100 (\$____,000.00) Dollars. Said principal shall be payable with interest thereon at the rate of ____ percent (___%) per annum in twenty-four (24) monthly installments of principal and interest in the amount of _____ (\$_____) Dollars each, commencing on the date hereof, and continuing thereafter on the first day of each of the following twenty-three (23) months.

Maker shall have the right to prepay this Note in whole at any time or in part from time to time without penalty or premium, provided that on each prepayment Maker shall pay accrued interest on the principal amount so prepaid to the date of such prepayment, and each partial prepayment shall be applied to the installments of this Note in inverse order of their stated maturities.

All payments by Maker on account of principal or interest hereunder shall be made in lawful money of the United States of America, in immediately available funds.

This Note represents the balance owed to Payee under that certain Franchise Agreement, dated _____, between Maker and Payee (the "Franchise Agreement"). Unless otherwise defined herein, all capitalized terms used in this Note shall have the meanings assigned to them in the Franchise Agreement.

Each of the following shall be an "Event of Default" under this Note:

1. Maker shall fail to make any payment of principal of or interest on this Note on the due date therefor;
2. Any judgment against Maker or any attachment, levy or execution against any of its properties for any amount shall remain unpaid, or shall not be released, discharged, dismissed, or fully bonded for a period of thirty (30) days or more after its entry, issue or levy, as the case may be;
3. Maker shall become insolvent (however evidenced) or be unable, or admit in writing its inability, to pay its debts as they mature;

4. Maker shall make an assignment for the benefit of creditors, or a trustee, receiver or liquidator shall be appointed for Maker or for any of its property, or the commencement of any proceedings by Maker under any bankruptcy, reorganization, arrangement of debt, insolvency, receivership, liquidation or dissolution law or statute, or the commencement of any such proceedings without the consent of Maker, and such proceedings shall continue undischarged for a period of thirty (30) days; or

5. The breach by Maker of any representation, warranty or covenant contained in or made pursuant to the Franchise Agreement.

Upon the occurrence of an Event of Default, Payee may declare the entire unpaid principal amount of this Note and all interest accrued and unpaid hereon to be forthwith due and payable, whereupon the same shall become and be immediately due and payable (time being of the essence of this Note), and recapture the Franchise Agreement and territory associated therewith.

After an Event of Default, interest on the unpaid balance of this Note shall accrue and be payable at the maximum contract rate permitted by law. If an Event of Default should occur, Maker will pay all costs and expenses of enforcement and collection of this Note, including attorneys' fees.

No failure on the part of Payee to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by Payee of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

This Note shall be construed in accordance with the laws of the State of Florida.

This Note shall be binding upon Maker and its successors and assigns, and the terms hereof shall inure to the benefit of Payee and its successors and assigns, including subsequent holders hereof.

Maker hereby waives presentment, demand, protest, dishonor and all other notices and demands in connection with the delivery, acceptance, performance default or endorsement of this Note, and consents to any and all extensions of time, or terms of payment of this Note.

Maker hereby irrevocably consents to the jurisdiction of any applicable Florida State or federal court over any action or proceeding arising out of any dispute between Maker and Payee, and Maker further irrevocably consents to the service of process in any such action or proceeding by the mailing of a copy of such process to Maker at the address set forth above.

Maker expressly waives any and every right to a trial by jury in any action on or related to this Note or the enforcement thereof.

Maker

By:_____

Title:_____

INDIVIDUAL GUARANTY OF PROMISSORY NOTE

In consideration of any financial accommodations previously, now or hereafter made or granted by CHHJ Franchising L.L.C. ("Lender") to or for the account of _____ ("Borrower"), under that certain Promissory Note (the "Note") dated _____, 20__ payable by Borrower to Lender, said Note having been delivered in connection with that certain Franchise Agreement between Borrower as Franchisee and Lender as Franchisor dated _____, 20__ (the "Franchise Agreement"), and in order to induce Lender to accept the Note from Borrower, _____ ("Principal"), being the _____ [title] and the holder of a majority interest in Borrower, hereby guarantees: (i) the prompt payment to Lender of all sums which may in any manner whatsoever be presently due and owing and of all sums which shall in the future become in any manner whatsoever due and owing to Lender from Borrower under the Note whether by acceleration or otherwise; and (ii) the due performance by Borrower of all its obligations under the Note.

Principal also agrees: (a) that the liability of Principal is DIRECT, ABSOLUTE AND UNCONDITIONAL and may be enforced without (i) requiring Lender first to resort to any other right, remedy or security or (ii) regard to the validity, regularity or enforceability of any obligation or purported obligation of Borrower under the Note or otherwise; (b) that this Guaranty shall not be impaired by any modification or extension of the Note or any other agreement between Borrower and Lender, nor by any modification or release of any of the obligations hereby guaranteed or of any security therefor, nor by any agreement or arrangement whatsoever with Borrower or anyone else; (c) that Principal shall be liable to Lender for all attorneys' fees and costs incurred by Lender by reason of this Guaranty or in connection with or arising out of or in enforcing any rights granted Lender hereunder or in any respect relating to the Note; (d) that Principal shall not have any right of subrogation, reimbursement or indemnity whatsoever, nor any right of recourse to security for the debts and obligations of Borrower to Lender, unless and until all of Borrower's obligations in respect of the Note have been paid in full; (e) that if Borrower or Principal shall at any time become insolvent or make a general assignment or if a petition in bankruptcy or any insolvency or reorganization proceedings shall be filed or commenced by or against Borrower or Principal, any and all obligations of Principal shall, at Lender's option, become immediately due and payable without notice; (f) that this Guaranty is, as to Principal, a continuing Guaranty which shall remain effective until all obligations of Borrower to Lender shall be paid in full; (g) that nothing shall discharge or satisfy the liability of Principal except the full payment and performance of all Borrower's debts and obligations to Lender in respect of the Note; (h) that any and all present and future debts and obligations of Borrower to Principal are hereby waived and postponed in favor of and subordinated to the full payment and performance of all present and future debts and obligations of Borrower to Lender.

Principal warrants and represents to and covenants with Lender that: this Guaranty contains Principal's entire agreement with respect to Principal's guarantee of Borrower's obligations; all prior agreements, commitments, understandings, representations, warranties and negotiations in connection herewith, if any, are hereby merged into this Guaranty; and no oral representations shall in any manner whatsoever modify or explain any of the terms and conditions of this Guaranty. This Guaranty may not be changed or terminated in any manner whatsoever except in writing signed by Principal and Lender.

Principal covenants with Lender that Principal has the full legal right, power and authority to execute this Guaranty; and that none of Principal's obligations hereunder will result in any breach of any provision of any agreement or instrument to which Principal is a party or by which Principal is bound.

PRINCIPAL WAIVES: (a) notice of acceptance hereof; (b) THE RIGHT TO A JURY TRIAL IN ANY ACTION HEREUNDER; (c) presentment, demand and protest of any instrument and notice

thereof; (d) notice of default; (e) all other notices or formalities to which Principal is or might be entitled whether by law or otherwise; and (f) all rights of set-off.

Principal's obligations under this Guaranty shall include all amounts paid by or on behalf of Borrower which may be recovered by any person or entity as a preference, fraudulent transfer or conveyance or similar transfer and all of Lender's costs and expenses of the defense of any action for such recovery.

This Guaranty, all acts and transactions hereunder and the rights and obligations of the parties hereto, shall be governed, construed and interpreted according to the laws of the State of Florida. Principal hereby agrees that all actions or proceedings arising directly or indirectly, in connection with, out of or related to this Guaranty ("Litigation") shall be litigated, in Lender's sole discretion and election, in state and federal courts in Florida, and Principal hereby subjects himself and consents to the jurisdiction and venue of the federal and state courts located in the State of Florida, as the exclusive jurisdiction in any action or proceeding brought by Principal arising out of this Guaranty, and any documents or agreements executed in connection therewith, and designates such Courts as the exclusive jurisdiction and the proper venue for any action brought against Principal.

This Guaranty shall be binding upon the successors and assigns of Principal and shall inure to the benefit of Lender's successors and assigns. This Guaranty shall apply in favor of and be jointly and severally enforceable by Lender and each of its affiliates, successors and assigns.

PRINT NAME: _____, GUARANTOR

SIGNATURE: _____

DATE: _____

HOME ADDRESS: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

(as of December 31, 2012)

FRANCHISEES:

Arizona	
Paul Ed Neumayr 6909 W. Ray Road, Suite 15 Chandler, Arizona 85226 480-277-3413 Location: Phoenix, Arizona Number of Zones: 3	
Arkansas	
Nolen Hughes 10315 Pomegranate Avenue North Little Rock, Arkansas 72118 501-960-0162 Location: Little Rock, Arkansas Number of Zones: 1	
California	
Nick and Claudia Avedikian 16788 Knollwood Drive Granada Hills, California 91344 818-926-9526 Location: Los Angeles, California Number of Zones: 4	Aaron Kube P.O. Box 983 Laguna Beach, California 92652 510-755-4830 Location: Irvine, California Number of Zones: 1
Joe Silva 1550 Cienaga Rd. Hollister, California 95023 831-673-1225 Location: San Francisco/San Jose, California Number of Zones: 2	Ryan & Robin Davis 5444 Reservoir Drive #6 San Diego, CA 92101 Location: San Diego, California Number of Zones: 2
Colorado	
Nathaniel Bruno and Tanner White 2851 Larimer Street Denver, Colorado 80210 303-747-5644 Location: Denver, Colorado Number of Zones: 4	

Florida	
<p>Faisal Ansari 4484 SW 34th Street Orlando, Florida 32811 321-231-8332 Location: Orlando, Florida Number of Zones: 5</p>	<p>Denise Houghtaling 1950 Custom Drive Fort Myers, Florida 33907 239-567-4700 Location: Fort Myers, Florida Number of Zones: 2</p>
<p>Barry Reiss 1500 N Florida Mango Rd Suite 18 West Palm Beach, Florida 33409 561-602-5009 Location: Palm Beach County/North Broward, Florida Number of Zones: 6</p>	
Georgia	
<p>Roger Panitch 6689-H Peachtree Industrial Blvd. Norcross, Georgia 30092 404-849-2016 Location: Atlanta, Georgia Number of Zones: 2</p>	
Illinois	
<p>Mark Heiss 3448 Carpenter Steger, Illinois 60423 708-595-9290 Location: Chicago, Illinois Number of Zones: 1 *Franchise terminated April 2013</p>	<p>Matt Johnson 1641 Wickham Court Libertyville, IL 60048 847-680-8986 Location: Lake County, Illinois Number of Zones: 2</p>
Indiana	
<p>Jeff Johnson 7740 East 88th Street, Suite 400 Indianapolis, Indiana 46256 317-625-1508 Location: Indianapolis Number of Zones: 2</p>	
Kansas	
<p>Shawnn Lampson 2819 N 77th Street Kansas City, Kansas 66204 913-515-5521 Location: Kansas City, Kansas Number of Zones: 2.5</p>	

Kentucky	
<p>William Martin 105 Daventry Lane #302 Louisville, Kentucky 40223 502-209-8121 Location: Louisville, Kentucky Number of Zones: 1</p>	<p>Martha Vaughn 125 Trade Street, Suite H Lexington, Kentucky 40511 859-226-0426 Location: Lexington, Kentucky Number of Zones: 1.5</p>
Maryland	
<p>Greg Lynch & Valentine F. Lynch 1532i Pointer Ridge Place Bowie, Maryland 21140 443-223-2404 Location: Anne Arundel, Maryland Number of Zones: 4</p>	<p>Quentin Brookes and Braxton Gore 315 Rittenhouse St NW Washington, DC 20011 202-487-1466 Location: Howard County, Maryland Number of Zones: 1</p>
Massachusetts	
<p>Bill Kelley and Dawn Orlando-Kelley 300 Brickstone Square, Suite 201 Andover, Massachusetts 01810 978-204-9732 Number of Zones: 2</p>	
Michigan	
<p>Dan Ryan and Patrick Lipa 906 W. 11 Mile Road Madison Heights, Michigan 48071 586-713-3355 Location: Detroit, Michigan Number of Zones: 2</p>	
Mississippi	
<p>Carl & Jennifer Carter 810 Foley Street Jackson, Mississippi 39202 601-345-8195 Location: Jackson, Mississippi Number of Zones: 1</p>	
Missouri	
<p>Gary W. Bussard 1033 Corporate Square Drive St. Louis, MO 63132 314-283-0098 Location: St. Louis, Missouri Number of Zones: 5</p>	

New Jersey	
<p>Nancy Ziatyk 178 Route 206 Hillsborough, New Jersey 08805 908-240-8892 Location: Somerset, New Jersey Number of Zones: 2</p>	<p>Stephen Bienko 9 Commerce Road Fairfield, New Jersey 07004 201-317-7989 Location: North New Jersey Number of Zones: 10</p>
New York	
<p>Steven Nickels and Ted Panebianco 623 New York Avenue Huntington, NY 11743 Red: 516-236-9382 Steven: 813-748-6337 Location: Long Island, New York Number of Zones: 9</p>	<p>Thomas Yewdell 39 Davenport Street Stanford, Connecticut 10801 646-996-0506 Location: Westchester, Yonkers, New York and Stamford, Connecticut Number of Zones: 3</p>
North Carolina	
<p>Anthony Auman 2 Centerview Drive Greensboro, North Carolina 27407 336-460-0485 Location: Greensboro, North Carolina Number of Zones: 1</p>	<p>Steven Roper 9317 Bramden Ct. Wake Forest, North Carolina 27587 919-247-0481 Location: Raleigh/Durham, North Carolina Number of Zones: 3</p>
Ohio	
<p>Matt Swanson and Duane Swanson 1316 Windward Drive Mason, Ohio 45242 513-594-5472 Location: Cincinnati, Ohio Number of Zones: 2</p>	<p>Jeff Arpin 3999 Parkway Lane, Unit #9 Hilliard, Ohio 43214 614-506-1533 Location: Columbus, Ohio Number of Zones: 1</p>
<p>Jim DelVechhio 3745 Brightwell Lane Columbus, Ohio 43230 614-594-8650 Location: Columbus, Ohio Number of Zones: 1.5</p>	<p>Scott & Tim McManamom 165 Crossings Parkway Westlake, Ohio 44145 216-903-8355 Location: Cleveland, Ohio Number of Zones: 2</p>
Pennsylvania	
<p>Mark Potosky 4075 East Market Street York, Pennsylvania 17368 717-940-8240 Location: Central Pennsylvania (Lancaster, Harrisburg) Number of Zones: 3</p>	<p>Michael Ort 701 S. Franklin Street West Chester, Pennsylvania 19382 717-903-6433 Location: Philadelphia, Pennsylvania Number of Zones: 3</p>

Tennessee	
Patrick Lombardi and Stephen Bienko 1661 Mallory Lane Brentwood, TN 37204 615-946-7068 Location: Nashville Number of Zones: 2	
Texas	
Daniel Dossey 1308 Capital Avenue, Suite 12 Plano, Texas 75074 972-834-4212 Location: McKinney, Texas Number of Zones: 2	Dave Steinman 11625 Custer Road, Suite 110 Frisco, Texas 75252 214-417-7307 Location: Plano, Texas Number of Zones: 2
Virginia	
Rodney Braziel P. O. Box 4182 Midlothian, Virginia 23113 804-543-0355 Location: Richmond, Virginia Number of Zones: 2	Nick Frantz 13919 Flint Rock Rd Rockville, Maryland 240-393-3484 Location: Northern Virginia Number of Zones: 1

FRANCHISEES NOT YET OPEN:

Florida	
Ronald Rick III and Christopher Poore 3750 Edgar Avenue Boynton Beach, FL 33436 Chris - 561-543-4331 Ron - 609-731-9196 Location: Miami, FL Number of Zones: 4	
Michigan	
Zachary & Angela Hawley 3329 Lapeer Road Flint, MI 48503 810-691-4020 Location: Flint, MI Zones: 1	

Oklahoma	
Rick & Laura Turner 13509 Railway Drive, Suite A Oklahoma City, OK 73114 405-693-4042 Location: Oklahoma City Zones: 2	

EXHIBIT E TO THE DISCLOSURE DOCUMENT

**LIST OF FRANCHISEES WHO HAVE HAD AN OUTLET TERMINATED, CANCELLED,
NOT RENEWED OR OTHERWISE CEASED TO DO BUSINESS DURING THE
YEAR ENDED DECEMBER 31, 2012 OR WHO HAVE NOT COMMUNICATED
WITH US WITHIN 10 WEEKS OF THE DATE OF THE DISCLOSURE DOCUMENT**

Franchisee Name, City, Phone	Franchisee Name, City, Phone
Bryan Gentry 5025 Derby Lane Indianapolis, IN 46226 317-691-4661 Terminated	Stephen Humphrey 5061 Columbia Rd. Columbia, MD 21044 240-793-7292 Terminated
Taylor Chalmers & Oliver Blodgett 5404 Miller Ave. Dallas, TX 75206 202-286-3572 Terminated	Mark Heiss 3448 Carpenter Steger, Illinois 60423 708-595-9290 *Franchise terminated April 2013
Kristen Hayes, Kristin Hoffner, Rory Hoffner, & Shannon Perkins 926 W. Vaughn St. Tempe, AZ 85283 517-449-2482 Transferred	Sam Cross, Hayden Cross 2270 Skinner rod Nolensville, TN 37135 205.753.9091 Transferred
Doug Stewart 8812 Maple Glen Circle Fort Myers, FL 33912 239.898.1927 Transferred	

EXHIBIT F TO THE DISCLOSURE DOCUMENT

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FINANCIAL STATEMENTS

CHHJ FRANCHISING LLC
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

**CHHJ FRANCHISING, LLC
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CliftonLarsonAllen

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

INDEPENDENT AUDITORS' REPORT

Board of Directors and Member
CHHJ Franchising LLC
Tampa, Florida

We have audited the accompanying financial statements of CHHJ Franchising LLC, which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CHHJ Franchising LLC as of December 31, 2012 and 2011, 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.

Correction of Error

As discussed in Note 2 to the financial statements, certain errors resulting in misstatements of amounts previously reported related to revenues, commissions, vehicles and notes payable as of December 31, 2011, were discovered by management of the Company during the current year. Accordingly, amounts reported for these various accounts have been restated in the 2011 financial statements now presented, and adjustments have been made to member's equity as of December 31, 2010, to correct the errors. Our opinion is not modified with respect to that matter.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
May 23, 2013

CHHJ FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 31, 2012 AND 2011

	2012	2011 (Restated)
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 157,905	\$ 149,861
Accounts Receivable	91,181	74,007
Due from Related Parties	54,101	12,092
Prepaid Expenses	11,411	6,500
Deferred Commissions	45,570	18,700
Total Current Assets	360,168	261,160
PROPERTY AND EQUIPMENT	61,256	83,988
OTHER ASSETS	-	1,605
Total Assets	\$ 421,424	\$ 346,753
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 116,933	\$ 54,476
Due to Related Parties	44,394	39,801
Deferred Revenue	161,729	86,725
Notes Payable, Current Maturities	7,642	31,799
Total Current Liabilities	330,698	212,801
NOTES PAYABLE, NET OF CURRENT MATURITIES	7,579	40,703
MEMBER'S EQUITY	83,147	93,249
Total Liabilities and Member's Equity	\$ 421,424	\$ 346,753

See accompanying Notes to Financial Statements.

CHHJ FRANCHISING, LLC
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011 (Restated)
REVENUE		
Franchise Fee	\$ 490,101	\$ 410,197
Royalty Fee	742,155	435,743
Customer Loyalty Center Fees	666,077	389,192
Trash Removal Services	146,105	-
Other	64,392	46,300
Total Revenue	2,108,830	1,281,432
OPERATING EXPENSES		
Payroll Expense	46,762	42,718
Advertising	158,090	172,852
Commissions	198,920	119,181
Network Support	705,632	503,035
Franchise Development	256,434	196,566
Office Expense	163,010	75,056
Professional Fees	96,035	45,728
License Fees	1,186	15,251
Insurance	14,643	9,491
Depreciation and Amortization	39,855	31,814
Cost of Trash Removal Services	141,150	-
Interest Expense	4,080	4,956
Total Operating Expenses	1,825,797	1,216,648
NET INCOME	\$ 283,033	\$ 64,784

See accompanying Notes to Financial Statements.

**CHHJ FRANCHISING, LLC
STATEMENTS OF MEMBER'S EQUITY
YEARS ENDED DECEMBER 31, 2012 AND 2011**

BALANCE - DECEMBER 31, 2010 AS PREVIOUSLY REPORTED	\$ 9,463
Prior Period Adjustments	<u>(11,621)</u>
BALANCE - DECEMBER 31, 2010 AS RESTATED	(2,158)
Capital Contributions	95,568
Distributions	(64,945)
Net Income, as Restated	<u>64,784</u>
BALANCE - DECEMBER 31, 2011 AS RESTATED	93,249
Capital Contributions	12,500
Distributions	(305,635)
Net Income	<u>283,033</u>
BALANCE - DECEMBER 31, 2012	<u><u>\$ 83,147</u></u>

See accompanying Notes to Financial Statements.

CHHJ FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 283,033	\$ 64,784
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	39,855	31,814
Changes in Operating Assets and Liabilities:		
Increase in:		
Trade Receivables	(29,925)	(30,270)
Prepaid Expenses	(4,911)	(5,000)
Deferred Commissions	(26,870)	(7,700)
Other Assets	1,605	-
Increase in:		
Accounts Payable and Accrued Expenses	62,457	16,207
Deferred Revenue	75,004	36,725
Net Cash Provided by Operating Activities	400,248	106,560
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property and Equipment	(42,159)	(2,225)
Advances to Related Parties	(30,530)	(12,092)
Net Cash Used by Investing Activities	(72,689)	(14,317)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to Member	(305,635)	(64,945)
Contributions from Member	12,500	95,568
Advances from Related Parties	-	711
Payments on Notes Payable	(26,380)	(16,752)
Net Cash Provided (Used) by Financing Activities	(319,515)	14,582
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,044	106,825
Cash and Cash Equivalents - Beginning of Year	149,861	43,036
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 157,905	\$ 149,861
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 4,080	\$ 4,956
SUPPLEMENTAL DISCLOSURE OF NON CASH INFORMATION		
Payments on Notes Payable Made by Related Party	\$ 5,865	\$ 8,474
Asset Acquired Through Issuance of Note Payable	\$ -	\$ 22,733
Note Payable Assumed by Franchisee Upon Vehicle Transfer	\$ 25,036	\$ -

See accompanying Notes to Financial Statements.

CHHJ FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

CHHJ Franchising, LLC (the Company), a wholly-owned subsidiary of Friedman and Soliman Enterprises, LLC (the Parent or Member), is a limited liability company formed in the State of Delaware on October 20, 2006. The Company was formed to grant the rights to own and operate "College Hunks Hauling Junk," "College Hunks Moving," and "1-800-Junk-USA," a business that provides junk removal services, including picking up of unwanted items from residential or commercial customers and taking it to the appropriate landfill or transfer station for appropriate disposal or recycling (Franchised Business). The Company grants each franchisee a nontransferable right and license to use the Franchised Business, the proprietary marks, and to provide services in accordance with the Franchised Business. The Franchised Business consists of certain trade names, service marks, trademarks, logos, and emblems. In 2012, the Company sold nine new franchises, three of which remained in process at year-end. Eight franchises opened, three franchises were terminated and existing franchisees purchased six additional zones. In 2011, the Company sold eight new franchises and one franchise owned by an affiliate, two of which remained in process at year-end. Eight franchises opened, one franchise was terminated, and existing franchisees purchased six additional zones. There was one franchise that remained in process at December 31, 2010. At December 31, 2012 and 2011, the Company had 42 and 37 franchises in operation, respectively, including two locations owned or controlled by affiliates.

Basis of Accounting

The Company's financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant balance sheet accounts, including receivables, prepaid expenses, payables, and other liabilities.

Deferred Revenue

At December 31, 2012 and 2011, the Company has granted four and two franchises, respectively, which opened subsequent to year-end. The initial franchise fee amounts received prior to year-end are included in deferred revenue on the balance sheet. Related commissions have been deferred until the franchise fee revenue is recognized.

Concentration of Risk

Substantially all cash is deposited in one financial institution. At times, amounts on deposit may be in excess of the FDIC insurance limit. The Company performs periodic credit evaluations of its customers' financial condition and generally grants credit on an unsecured basis.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

CHHJ FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Due from Related Parties

Trade accounts receivable and due from related parties are periodically evaluated for collectability based on past credit history and current financial condition. The Company uses the allowance method of accounting for bad debts for financial reporting purposes. Uncollectible amounts are charged against the allowance account when such receivables are deemed to be uncollectible. Management considers all accounts receivable and due from related parties at December 31, 2012 and 2011 to be collectible. Accordingly, the allowance for bad debt is reported at zero.

Property and Equipment

Property and equipment are stated at cost net of accumulated depreciation and amortization. Depreciation is computed over the estimated useful lives of the assets (three to seven years) on a straight-line basis. Leasehold improvements are amortized over the shorter of the estimated useful life or the lease term of the related asset. Upon disposition of assets, the related cost and accumulated depreciation and amortization are eliminated, and any gain or loss is included in operations. Expenditures for major improvements are capitalized. Maintenance and repairs are expensed.

Revenue Recognition

Franchise Fee Income - Nonrefundable initial franchise fees are recognized as revenue at the time all material services required to be provided by the Company have been substantially performed. Included in franchise fee income are fees for expansion of territories (Zones).

Royalty Fee Income and Customer Loyalty Center Fee Income – Royalty and Customer Loyalty Center fee income is recognized semi-monthly based on gross revenue, as defined in the franchise agreement.

Trash Removal Services and Other Income – Revenue from trash removal services and other services is recognized as the services are provided.

Advertising Costs

Advertising costs are expensed as incurred. As part of the franchise agreement, the Company maintains a creative advertising fund for the purpose of advertising the Franchised Business on a regional and national basis. Franchisees contribute 1% of their gross revenues to the fund on a monthly basis.

The Company's franchisees each pay a percentage of sales to the Brand Development Fund (the Fund), which is used for national, regional and/or local advertising, publicity and promotion of the CHHJ brands. The Company may elect to subsidize the fund to support marketing efforts. The Fund is not included in the financial statements, although the Company's contributions to the Fund are included as advertising expenses in the statements of operations.

CHHJ FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company is a single member limited liability company under applicable federal and state statutes. As such, it is treated for tax purposes as a disregarded entity. Accordingly, there is no provision for federal or state income taxes.

The Company follows the guidance for accounting for uncertain in income tax positions. The Company has evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2012. The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position.

The Company's income tax returns are subject to review and examination by federal, state and local authorities. The tax returns for the years 2009 to 2012 are open to examination by federal and state authorities.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through May 23, 2013, the date the financial statements were available to be issued.

CHHJ FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 2 RESTATEMENT

In 2012, management determined that the accounting for certain transactions in 2011 and earlier was incorrect. Transactions which were identified included:

- Revenue cutoff – Certain royalty, CLC and Ad Fund fees were billed in arrears in the month following the month in which the transactions were consummated. As such, the Company has recorded accounts receivable for the unbilled amounts of \$34,823 and \$20,984 as of December 31, 2011 and 2010, respectively. Included in the unbilled amount as of December 31, 2011 was \$12,092 owed by related parties.
- Franchise fees – Certain franchisees were provided the opportunity to pay their franchise fees over extended periods of time. The Company originally recognized revenue for these arrangements on a cash basis. As such, the Company recorded accounts receivable of \$30,931 as of December 31, 2011. The Company also accrued the commissions owed on these additional franchise fees of \$7,152 as of December 31, 2011.
- Vehicle Purchases and Leases – The Company acquired vehicles subject to notes payable for leasing to certain franchisees. The payments made by the Company on the notes payable were previously treated as vehicle expenses and the payments received from the franchisees were netted against those expenses in the franchise development operating expense. The Company determined that the vehicles should have been recorded as fixed assets and the corresponding debt recorded on the Company's books. This treatment resulted in the payments previously expensed being applied to the principal and interest on the notes payable and a corresponding increase in depreciation expense. Certain of these transactions arose prior to 2011 and the Company's obligation under one note payable was funded by a related party.

As previously noted, certain 2011 amounts have been reclassified to conform to the 2012 presentation. The most significant reclassification relates to the presentation of the CLC fees, which had previously been netted against the CLC expenses to present the net cost of operating the CLC. The CLC fees have been reclassified to revenue to present the gross cost operating the CLC.

CHHJ FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 2 RESTATEMENT (CONTINUED)

As a result of these items, the Company has restated their previously issued 2011 financial statements to reflect the following changes.

	Previously Reported	Increase/ (Decrease)	Restated
<u>Balance Sheet as of December 31, 2011</u>			
CURRENT ASSETS			
Accounts Receivable	\$ 20,345	\$ 53,662	\$ 74,007
Due from Related Parties	\$ -	\$ 12,092	\$ 12,092
Total Current Assets	<u>\$ 195,406</u>	<u>\$ 65,754</u>	<u>\$ 261,160</u>
PROPERTY AND EQUIPMENT			
Total Assets	<u>\$ 14,859</u>	<u>\$ 69,129</u>	<u>\$ 83,988</u>
	<u>\$ 211,870</u>	<u>\$ 134,883</u>	<u>\$ 346,753</u>
LIABILITIES AND MEMBER'S EQUITY			
CURRENT LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 47,072	\$ 7,404	\$ 54,476
Due to Related Parties	\$ -	\$ 39,801	\$ 39,801
Notes Payable, Current Maturities	\$ -	\$ 31,799	\$ 31,799
Total Current Liabilities	<u>\$ 133,797</u>	<u>\$ 79,004</u>	<u>\$ 212,801</u>
NOTES PAYABLE, NET OF CURRENT MATURITIES			
	<u>\$ -</u>	<u>\$ 40,703</u>	<u>\$ 40,703</u>
MEMBER'S EQUITY			
Total Liabilities and Member's Equity	<u>\$ 78,073</u>	<u>\$ 15,176</u>	<u>\$ 93,249</u>
	<u>\$ 211,870</u>	<u>\$ 134,883</u>	<u>\$ 346,753</u>
	Previously Reported	Increase/ (Decrease)	Restated
<u>Statement of Operations for the Year Ended December 31, 2011</u>			
REVENUE			
Franchise Fee	\$ 379,266	\$ 30,931	\$ 410,197
Royalty Fee	\$ 428,164	\$ 7,579	\$ 435,743
Customer Loyalty Center Fees	\$ -	\$ 389,192	\$ 389,192
Total Revenue	<u>\$ 853,730</u>	<u>\$ 427,702</u>	<u>\$ 1,281,432</u>
OPERATING EXPENSES			
Advertising	\$ 173,676	\$ (824)	\$ 172,852
Network Support	\$ 119,279	\$ 383,756	\$ 503,035
Franchise Development	\$ 217,311	\$ (20,745)	\$ 196,566
Depreciation and Amortization	\$ 5,204	\$ 26,610	\$ 31,814
Interest Expense	\$ -	\$ 4,956	\$ 4,956
Total Operating Expenses	<u>\$ 815,743</u>	<u>\$ 400,905</u>	<u>\$ 1,216,648</u>
NET INCOME			
	<u>\$ 37,987</u>	<u>\$ 26,797</u>	<u>\$ 64,784</u>

CHHJ FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 2 RESTATEMENT (CONTINUED)

	Previously Reported	Increase/ (Decrease)	Restated
<u>Statement of Cash Flows for the Year Ended December 31, 2011</u>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	\$ 37,987	\$ 26,797	\$ 64,784
Depreciation and Amortization	\$ 5,204	\$ 26,610	\$ 31,814
Change in Operating Assets and Liabilities:			
Accounts Receivable	\$ 2,408	\$ (32,678)	\$ (30,270)
Accounts Payable and Accrued Expenses	\$ 8,803	\$ 7,404	\$ 16,207
Net Cash Provided by Operating Activities	\$ 78,427	\$ 28,133	\$ 106,560
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances to Related Parties	\$ -	\$ (12,092)	\$ (12,092)
Net Cash Used by Investing Activities	\$ (2,225)	\$ (12,092)	\$ (14,317)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from Related Parties	\$ -	\$ 711	\$ 711
Payments on Notes Payable	\$ -	\$ (16,752)	\$ (16,752)
Net Cash Provided by Financing Activities	\$ 30,623	\$ (16,041)	\$ 14,582

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment, recorded at cost, consisted of the following at December 31:

	2012	2011 (Restated)
Furniture and Fixtures	\$ 36,880	\$ 36,880
Computer and Software	74,528	32,369
Leasehold Improvements	-	3,405
Equipment	22,821	129,805
	134,229	202,459
Less: Accumulated Depreciation and Amortization	(72,973)	(118,471)
Total	\$ 61,256	\$ 83,988

Depreciation and amortization expense was \$39,855 and \$31,814 for the years ended December 31, 2012 and 2011, respectively.

CHHJ FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 4 NOTES PAYABLE

As of December 31, 2012 and 2011 the Company had loans outstanding related to financed vehicles. The vehicles are leased to franchisees under month-to-month operating lease arrangements. As of December 31, 2012 and 2011 notes payable consisted of the following:

	<u>2012</u>	<u>2011</u> <u>(Restated)</u>
Amortizing note payable, secured by a vehicle, bearing interest at 5.9% with payments of principal and interest due monthly through August 2012.	\$ -	\$ 5,865
Amortizing note payable, secured by a vehicle, bearing interest at 8.9% with payments of principal and interest due monthly through December 2012.	-	10,145
Amortizing note payable, secured by a vehicle, bearing interest at 7.65% with payments of principal and interest due monthly through May 2015 (vehicle disposed and loan cancelled in October 2012).	-	33,671
Amortizing note payable, secured by a vehicle, bearing interest at 8.25% with payments of principal and interest due monthly through November 2014.	<u>15,221</u>	<u>22,821</u>
Less: Current Maturities	<u>(7,642)</u>	<u>(31,799)</u>
Notes Payable, Net of Current Maturities	<u>\$ 7,579</u>	<u>\$ 40,703</u>

Future maturities of notes payable are:

<u>Year Ending December 31,</u>	<u>Amount</u>
2013	\$ 7,642
2014	7,579
Total	<u>\$ 15,221</u>

CHHJ FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 5 RELATED PARTY TRANSACTIONS

During 2012 and 2011, the Company generated revenues and advertising funds of approximately \$252,500 and \$98,300, respectively, from franchises under common control. As of December 31, 2012 and 2011, the Company had receivables and unbilled revenues of approximately \$12,800 and \$12,100, respectively, from franchises under common control. Other amounts due from related parties at December 31, 2012, approximated \$41,400 for various expense reimbursements or advances.

As of December 31, 2012 and 2011, the Company had approximately \$31,100 and \$39,800, respectively, payable to related parties for various expense reimbursements or advances.

During 2012, the Company incurred rent expense of approximately \$21,400 to a related party. At December 31, 2012, the Company had accrued rent expense of approximately \$13,300 due to the related party.

NOTE 6 COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leased office space in under an operating lease that expired in 2011, and subsequently continued on a month-to-month basis until the Company moved into its new facility in 2012.

The Company entered into a new lease agreement in 2012, with a related party, which renews annually each August at the discretion of the Company and the landlord. Annual minimum rent is approximately \$54,000 until the Company chooses to terminate the lease. Rent expense for the years ended December 31, 2012 and 2011 was \$44,898 and \$16,817, respectively.

Franchise Buy Back Option

The Company has the right, but not the obligation, to buy back franchises previously sold at any time after the 60th month of operation based on a purchase price defined in the franchise agreement.

Guarantor

The Company is one of a number of affiliates that is a guarantor on loans obtained by an affiliate in connection with the purchase of the building in which the Company is located. These loans were originated in January 2012 as temporary loans. The first loan in the amount of \$307,500 was converted to a Term Loan in December 2012. The Term Loan bears interest at a variable rate subject to a 6% minimum, requires monthly principal and interest payments starting in January 2013 and matures December 2022 unless triggered earlier by certain provisions stated in the note. The second loan in the amount of \$221,000 was converted to a permanent loan under the Small Business Administration (SBA) 504 Loan program in April 2013. The 504 Loan bears interest at 2.12%, requires monthly principal, interest and fee payments starting in May 2013 of \$1,435 and matures April 2033.

**CHHJ FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 6 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

The Company is a party to legal matters which have arisen in the ordinary course of business. Management does not feel that any of the legal matters currently outstanding will have a material impact of the financial position or results of operations of the Company.

CHHJ FRANCHISING LLC
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

**CHHJ FRANCHISING, LLC
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CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

CliftonLarsonAllen

INDEPENDENT AUDITORS' REPORT

Board of Directors and Members
CHHJ Franchising LLC
Tampa, Florida

We have audited the accompanying balance sheet of CHHJ Franchising LLC as of December 31, 2011, and the related statements of operations, member's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of the Company as of December 31, 2010 were audited by other auditors whose report dated April 18, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CHHJ Franchising LLC as of December 31, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
March 30, 2012

**CHHJ FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 31, 2011 AND 2010**

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 149,861	\$ 43,036
Accounts Receivable	20,345	22,753
Prepaid Expenses	6,500	1,500
Deferred Commissions	18,700	11,000
Total Current Assets	195,406	78,289
PROPERTY AND EQUIPMENT	14,859	17,838
OTHER ASSETS	1,605	1,605
Total Assets	\$ 211,870	\$ 97,732
LIABILITIES AND MEMBER'S EQUITY		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 47,072	\$ 38,269
Deferred Revenue	86,725	50,000
Total Liabilities	133,797	88,269
MEMBER'S EQUITY	78,073	9,463
Total Liabilities and Member's Equity	\$ 211,870	\$ 97,732

See accompanying Notes to Financial Statements.

CHHJ FRANCHISING, LLC
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
REVENUE		
Franchise Fee	\$ 379,266	\$ 428,500
Royalty Fee	428,164	148,729
Transfer Fee	-	2,500
Other	46,300	25,001
Total Revenue	853,730	604,730
OPERATING EXPENSES		
Payroll Expense	42,718	25,009
Advertising	173,676	143,310
Commissions	112,029	205,217
Network Support	119,279	112,676
Franchise Development	217,311	58,148
Office Expense	75,056	28,595
Professional Fees	45,728	60,267
License Fee	15,251	9,864
Insurance	9,491	14,182
Depreciation and Amortization	5,204	11,227
Total Operating Expenses	815,743	668,495
NET INCOME (LOSS)	\$ 37,987	\$ (63,765)

See accompanying Notes to Financial Statements.

**CHHJ FRANCHISING, LLC
STATEMENTS OF MEMBER'S EQUITY
YEARS ENDED DECEMBER 31, 2011 AND 2010**

BALANCE - DECEMBER 31, 2009	\$ (754)
Capital Contributions	83,908
Distributions	(9,926)
Net (Loss)	<u>(63,765)</u>
BALANCE - DECEMBER 31, 2010	9,463
Capital Contributions	95,568
Distributions	(64,945)
Net Income	<u>37,987</u>
BALANCE - DECEMBER 31, 2011	<u><u>\$ 78,073</u></u>

See accompanying Notes to Financial Statements.

CHHJ FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ 37,987	\$ (63,765)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	5,204	11,227
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts Receivable	2,408	(10,140)
Prepaid Expenses	(5,000)	(1,046)
Deferred Commissions	(7,700)	31,564
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	8,803	3,884
Deferred Revenue	36,725	(50,000)
Net Cash Provided (Used) by Operating Activities	<u>78,427</u>	<u>(78,276)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property and Equipment	(2,225)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions	(64,945)	(9,926)
Capital Contributions	95,568	83,908
Net Cash Provided by Financing Activities	<u>30,623</u>	<u>73,982</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	106,825	(4,294)
Cash and Cash Equivalents - Beginning of Year	<u>43,036</u>	<u>47,330</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 149,861</u>	<u>\$ 43,036</u>

See accompanying Notes to Financial Statements.

CHHJ FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

CHHJ Franchising, LLC (the "Company"), a wholly-owned subsidiary of Friedman and Soliman Enterprises, LLC (the "Parent" or "Member"), is a limited liability company formed in the State of Delaware on October 20, 2006. The Company was formed to grant the rights to own and operate "College Hunks Hauling Junk," "College Hunks Moving," and "1-800-Junk-USA," a business that provides junk removal services, including picking up of unwanted items from residential or commercial customers and taking it to the appropriate landfill or transfer station for appropriate disposal or recycling ("Franchised Business"). The Company grants each franchisee a nontransferable right and license to use the Franchised Business, the proprietary marks, and to provide services in accordance with the Franchised Business. The Franchised Business consists of certain trade names, service marks, trademarks, logos, and emblems. In 2011, the Company sold seven new and one franchisor-owned franchises, seven franchises opened, one franchise was terminated, 2 franchises remained in process at year end and five existing franchisees purchased additional zones. In 2010, the Company sold seven new and one franchisor-owned franchises, nine franchises opened, one franchise was reacquired by the franchisor, one franchise was transferred, and one franchise was terminated, 1 franchise remained in process at year end and 2 existing franchisees purchased additional zones. At December 31, 2011 and 2010, the Company had thirty-six and thirty-one franchises in operation, respectively.

Deferred Revenue

At December 31, 2011 and 2010, the Company has granted two and one franchises, respectively, which opened subsequent to year end. The initial franchise fee amounts received prior to year end are included in *deferred revenue* on the balance sheet. Related commissions have been deferred until the franchise fee revenue is recognized.

Concentration of Credit Risk

Substantially all cash is deposited in one financial institution. At times, amounts on deposit may be in excess of the FDIC insurance limit. The Company performs periodic credit evaluations of its customers' financial condition and generally grants credit on an unsecured basis.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

The Company uses the allowance method to account for uncollectible accounts receivable. The allowance is sufficient to cover both current and anticipated future losses. Uncollectible amounts are charged against the allowance account. At December 31, 2011 and 2010, no allowances for doubtful accounts were deemed necessary.

CHHJ FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed over the estimated useful lives of the assets (3-7 years) using accelerated methods. Leasehold improvements are amortized over the shorter of the estimated useful life or the lease term of the related asset. Upon disposition of assets, the related cost and accumulated depreciation and amortization are eliminated, and any gain or loss is included in operations. Expenditures for major improvements are capitalized. Maintenance and repairs are expensed.

Revenue Recognition

Franchise Fee Income - Nonrefundable initial franchise fees are recognized as revenue at the time all material services required to be provided by the Company have been substantially performed. Included in franchise fee income are fees for expansion of territories ("Zones").

Royalty Fee Income - Royalty fee income is recognized biweekly based on net revenue, as defined in the franchise agreement.

Advertising Costs

Advertising costs are expensed as incurred. As part of the franchise agreement, the Company maintains a creative advertising fund for the purpose of advertising the Franchised Business on a regional and national basis, whereby the franchisees contributed one to three percent of their net revenues.

Income Taxes

The Company is a single member limited liability company under applicable federal and state statutes. As such, it is treated for tax purposes as a disregarded entity. Accordingly, there is no provision for federal or state income taxes.

The Company follows the guidance for accounting for uncertain in income tax positions. The Company has evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2011. The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position. The adoption did not have a material effect on the Company's financial position or results of operations.

The Company's income tax returns are subject to review and examination by federal, state and local authorities. The tax returns for the years 2008 to 2010 are open to examination by federal and state authorities.

**CHHJ FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in 2010 have been reclassified for comparative purposes to conform with the presentation in 2011. The reclassifications have no effect on the previously reported net income or equity.

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 30, 2012, the date the financial statements were available to be issued.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment, recorded at cost, consisted of the following at December 31,:

	2011	2010
Furniture and Fixtures	\$ 36,880	\$ 34,655
Computer and Software	32,369	32,369
Leasehold Improvements	3,405	3,405
	<u>72,654</u>	<u>70,429</u>
Less: Accumulated Depreciation and Amortization	(57,795)	(52,591)
Total	<u>\$ 14,859</u>	<u>\$ 17,838</u>

Depreciation and amortization expense was \$5,204 and \$11,227 for the years ended December 31, 2011 and 2010, respectively.

NOTE 3 RELATED PARTY TRANSACTIONS

The Parent company is the owner of the proprietary marks and has licensed them to the Company so that the Company may sublicense them to its franchisees. The Company paid license fees of \$15,251 and \$9,864 to the Parent in 2011 and 2010, respectively.

CHHJ FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 3 RELATED PARTY TRANSACTIONS (CONTINUED)

The Company and its franchisees each pay a percentage of sales to the Brand Development Fund (the "Fund"), which will be used for national, regional and/or local advertising, publicity and promotion of the CHHJ brands. The Fund is not included in the financial statements, although the Company's contributions to the Fund are included in the advertising expenses in the statements of operations.

NOTE 4 COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company had a lease for its office facility in Tampa, Florida that had been renewed through March 2011, and subsequently continued on a month-to-month basis until the Company moved into its new facility discussed below. Rent expense for the years ended December 31, 2011 and 2010 was \$16,817 and \$16,747, respectively.

The Company entered into a new lease agreement on January 6, 2012 with Soliman and Friedman Real Estate, LLC, a related party. The lease of approximately 9,000 square feet in Tampa, Florida expires on January 5, 2022. Annual minimum rent is set at \$72,000 for the entire lease term and is subject to additional fees for operating expenses and real estate taxes of approximately \$6,000 annually.

Franchise Buy Back Option

The Company has the right, but not the obligation, to buy back franchises previously sold at any time after the 60th month of operation based on a purchase price defined in the franchise agreement.

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

(For Use Only in the States of Maryland and Virginia)

CHHJ FRANCHISING LLC
FINANCIAL STATEMENTS
PERIOD ENDED MARCH 31, 2013

**CHHJ FRANCHISING LLC
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PERIOD ENDED MARCH 31, 2013**

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**CHHJ FRANCHISING, LLC
BALANCE SHEET
MARCH 31, 2103
(UNAUDITED)**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	74,123
Accounts Receivable		134,335
Due from Related Parties		54,914
Prepaid Expenses		4,500
Deferred Commissions		-
Total Current Assets		267,872

PROPERTY AND EQUIPMENT

54,523

OTHER ASSETS

-

Total Assets

\$ 322,395

LIABILITIES AND MEMBER'S EQUITY

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$	116,328
Due to Related Parties		45,923
Deferred Revenue		-
Notes Payable, Current Maturities		5,790
Total Current Liabilities		168,041

NOTES PAYABLE, NET OF CURRENT MATURITIES

7,579

MEMBER'S EQUITY

146,775

Total Liabilities and Member's Equity

\$ 322,395

CHHJ FRANCHISING, LLC
STATEMENT OF OPERATIONS
PERIOD ENDED MARCH 31, 2103
(UNAUDITED)

REVENUE

Franchise Fee	\$ 219,562
Royalty Fee	197,959
Customer Loyalty Center Fees	177,538
Trash Removal Services	52,829
Commercial Services	2,113
Other	35,583
Total Revenue	<u>685,584</u>

OPERATING EXPENSES

Payroll Expense	39,217
Advertising	41,785
Commissions	74,248
Network Support	186,079
Franchise Development	106,861
Office Expense	60,394
Professional Fees	44,360
License Fees	578
Insurance	6,214
Depreciation and Amortization	6,733
Cost of Trash Removal Services	44,511
Cost of Commercial Services	10,075
Interest Expense	301
Total Operating Expenses	<u>621,356</u>

NET INCOME

\$ 64,228

EXHIBIT H TO THE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, CHHJ Franchising L.L.C. (the “**Franchisor**”) and you are preparing to enter into a franchise agreement (the “**Franchise Agreement**”) for the establishment and operation of a College Hunks Hauling Junk® Business (the “**Franchised Business**”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by existing franchisees, employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor (“**Broker**”), that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor representative on _____, 20____.

3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No _____

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

8. Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?
Yes _____ No _____
12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the Disclosure Document?
Yes _____ No _____
13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the Disclosure Document?
Yes _____ No _____
14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?
Yes _____ No _____
15. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?
Yes _____ No _____
16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?
Yes _____ No _____
17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?
Yes _____ No _____
18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? _____

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if

necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

I signed the Franchise Agreement and Addendum (if any) on _____, 20____, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including any franchise broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None."

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "**Executive Order**") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "**Anti-Terrorism Measures**"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

- (i) a person or entity listed in the Annex to the Executive Order;
- (ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this ____ day of _____, 20__.

Sign here if you are taking the franchise as an

INDIVIDUAL

Signature

Print Name _____

Signature

Print Name _____

Signature

Print Name _____

Signature

Print Name _____

Sign here if you are taking the franchise as a
**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

Print Name of Legal Entity

By: _____
Signature

Print Name _____

Title _____

EXHIBIT J TO THE DISCLOSURE DOCUMENT

DEPOSIT AGREEMENT

This Deposit Agreement (the “**Agreement**”) is made and entered into on _____, 20____, (the “Effective Date”) by and between CHHJ Franchising L.L.C., a Florida limited liability company with its principal place of business at 1513 East 9th Avenue, Tampa, Florida 33605 (“Franchisor”) and _____, a _____ [resident] [corporation] [partnership] [limited liability company] [residing at] [with offices located at] _____ (“**Depositor**”).

RECITALS

WHEREAS, Franchisor is in the business of developing and operating a system consisting of franchised and company-operated “College Hunks Hauling Junk®” and “College Hunks Moving®” franchised businesses under Franchisor’s trademarks, service marks, and system (“**Franchised Businesses**”);

WHEREAS, Depositor wishes to apply to become a franchisee under Franchisor’s system pursuant to a franchise agreement, which, if entered into by Depositor and Franchisor, would confer upon Depositor the right and obligation to open a Franchised Business within an agreed-upon marketing area;

WHEREAS, Franchisor must expend considerable time, effort, and cost during the period (the “Evaluation Period”) needed to evaluate the applicant’s qualifications and suitability to become a franchisee and to evaluate the proposed marketing area;

WHEREAS, Depositor wishes to place a deposit with Franchisor as evidence of Depositor’s good faith during the Evaluation Period.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. **The Deposit.** Upon execution of this Agreement, Depositor shall pay Franchisor the sum of _____ Thousand Dollars (\$____) as a non-interest bearing deposit (the “Deposit”). Such Deposit represents thirty percent (30%) of the initial franchise fee for the Franchised Business that Depositor is seeking to purchase pursuant to Franchisor’s Franchise Agreement; or
2. **Refundability.** The Deposit shall not be refundable to Depositor.
3. **Credit.** Upon execution of a Franchise Agreement between the parties, the full amount of the Deposit shall be credited by Franchisor toward payment of the initial franchise fee due under the agreement entered into by the parties.
4. **Deposit Area.** During the Evaluation Period, Franchisor and Depositor shall explore the prospect of entering into a franchise agreement for one (1) Franchised Business within the following area: _____ (the “Deposit Area”). The only purpose of the Deposit Area is to describe the area within which they will focus their attention during the Evaluation Period. Nothing in this Agreement (except for Section 6 below) shall prevent Franchisor or Depositor from entering into any agreement, conducting business, or

taking any action within the Deposit Area or elsewhere. By entering into this Agreement, neither party shall be bound to enter into a franchise agreement with the other.

5. Application. Depositor agrees to make all applications and provide all information reasonably requested by Franchisor to evaluate Depositor's qualification and suitability to enter into a franchise agreement with Franchisor.

6. Confidentiality. During the Evaluation Period, certain confidential information about Franchisor and its system will be disclosed or otherwise made known to Depositor ("Confidential Information"). Depositor agrees to respect and maintain the confidential nature of such Confidential Information, and not in any way disclose the Confidential Information to anyone else, nor in any way use the Confidential Information in the operation of any business (excluding a Franchised Business operated pursuant to a franchise agreement). It is agreed that Depositor's obligations under this Section 6 shall not expire upon termination of this Agreement.

7. Evaluation Period. The parties agree that the Evaluation Period shall last for _____ (__) days from the Effective Date, unless the parties otherwise agree in writing.

8. Termination. This Agreement shall terminate at the earlier of (a) the parties' entry into a franchise agreement, as applicable, or (b) the end of the Evaluation Period.

9. No Franchise Rights. This Agreement is not a franchise and does not grant Depositor any right whatsoever to use the College Hunks Hauling Junk® and/or College Hunks Moving® marks and/or system, which rights can only be granted under a franchise agreement entered into by Depositor and Franchisor. Depositor shall not use the College Hunks Hauling Junk® and/or College Hunks Moving® marks or system, nor shall Depositor make any representation or commitment on Franchisor's behalf.

10. Acknowledgment. Depositor acknowledges receipt of Franchisor's Disclosure Document at least fourteen (14) calendar days before the Effective Date.

11. Full Agreement. This Agreement incorporates the full and complete agreement between the parties concerning the subject of this Agreement, and supersedes any and all prior correspondence, conversations, representations, or statements of whatever nature concerning the subject of this Agreement. This Agreement shall be interpreted under the laws of the State of Florida without regard to its conflict of laws principles.

FRANCHISOR:

DEPOSITOR:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

RECEIPT

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 CHHJ Franchising L.L.C. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or 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 payment of any consideration, whichever occurs first.

If CHHJ Franchising L.L.C. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Exhibit A to this disclosure document).

The franchisor is CHHJ Franchising, L.L.C., located at 1513 East 9th Avenue, Tampa, Florida 33605. Its telephone number is (800) 586-5872.

We authorize the respective state agencies identified on Exhibit A to receive service of process for us if we are registered in the particular state.

Issuance Date: May 29, 2013

The name, principal business address, and telephone number of the franchise sellers offering the franchise are:

Name	Principal Business Address	Telephone Number

I received a disclosure document dated May 29, 2013 (the state effective dates are listed on the pages preceding the table of contents). The disclosure document included the following Exhibits:

A – State Agencies/Agents for Service of Process	G – Table of Contents of Operations Manual
B – State Addendum	H – Financial Statements
C – Franchise Agreement	I – Franchisee Disclosure Acknowledgment Statement
D – List of Franchisees	J – Deposit Agreement
E – List of Franchisees Who Have Left the System	

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

You may return the signed receipt either by signing, dating and mailing it to CHHJ Franchising, L.L.C. at 1513 East 9th Avenue, Tampa, Florida 33605, or by faxing a copy of the signed and dated receipt to CHHJ Franchising, L.L.C. at (813) 902-6710.

KEEP THIS COPY FOR YOUR RECORDS

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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Issuance Date: May 29, 2013

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(RETURN THIS COPY TO US)