FRANCHISE DISCLOSURE DOCUMENT

CHHJ FRANCHISING L.L.C.
a Delaware limited liability company
4411 West Tampa Bay Boulevard
Tampa, Florida 33614
Telephone: (800) 586-5872
www.collegehunkshaulingjunk.com
www.collegehunksfranchise.com
franchise@CHHJ.com
www.twitter.com/collegehunks
www.facebook.com/collegehunkshaulingjunk
www.linkedin.com/in/collegehunkshaulingjunk

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 relocating items from one location to another and/or 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 $89,300 to $208,200. 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 4411 Tampa Bay Boulevard, Tampa, Florida 33614 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: March 23, 2018

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. YOU MUST MAKE MINIMUM ROYALTY AND ADVERTISING PAYMENTS REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

4. THE FRANCHISOR HAS THE RIGHT TO BUY BACK YOUR FRANCHISED BUSINESS AT ANY TIME AFTER THE 60TH MONTH FOR FIVE TIMES NORMALIZED EBITDA (EARNINGS BEFORE INCOME TAXES, DEPRECIATION AND AMORTIZATION).

5. 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	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
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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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 4411 West Tampa Bay Boulevard, Tampa, Florida 33614. We do business under our corporate name and under the trademarks 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 relocating items from one location to another and/or 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" to this Disclosure Document.

Our Parents, Predecessors and Affiliates

We have no predecessors. Our parent company is Friedman and Soliman Enterprises, LLC ("**F&S**" or "**Parent**"), a Maryland limited liability company that was formed on March 25, 2005 and is located at 4411 West Tampa Bay Boulevard, Tampa, Florida 33614. F&S owns the Marks listed in Item 13 of this Disclosure Document and has licensed them to us, including the rights to sublicense the Marks to our franchisees. 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 does not provide products or services to our franchisees, nor does it guaranty our performance under the Franchise Agreement.

Our affiliate CHHJ, LLC currently owns and operates a College Hunks Hauling Junk® and College Hunks Moving® in Maryland and our affiliate Mansari LLC currently owns and operates a College Hunks Hauling Junk® and College Hunks Moving® in Florida, and we consider these locations "Company" locations as detailed in Item 20.

Our affiliate, Trash Butler LLC ("**Trash Butler**"), is a Florida limited liability company that was formed on May 21, 2013 and shares our principal business address at 4411 West Tampa Bay Boulevard, Tampa, Florida 33614. It provides doorstep valet trash pickup service, under the "TRASH BUTLER®" trademark and trade name, for apartment complexes and multi-family housing communities. Uniformed trash valets pick up bagged garbage at the door and take it to the on-site dumpsters or compactors up to 5 times a week. In certain instances, Trash Butler may subcontract these services to our franchisees, although it is not obligated to do so. We may, in the future, designate Trash Butler as a National Account (see Item 12). Trash Butler has never offered franchises in this or any other line of business. It does not operate a business of the type to be operated by you. Trash Butler does not provide products or services to our franchisees, nor does it guaranty our performance under the Franchise Agreement.

We do not have any other affiliates that are required to be disclosed in this Item.

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;

designated call center ("**First Contact Sales & Loyalty Center**" or "**SLC**"); 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 SLC is a centralized office that receives orders for service from clients via telephone, e-mail and fax. The SLC then forwards the request for service to the appropriate franchisee. The SLC 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 currently offer College Hunks Moving® (moving services) as 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 as part of the Franchised Business, you will need to have additional equipment, training, insurance and a different type of vehicle. Providing College Hunks Moving® services is currently 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.

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) and the other marks listed in Item 13 of this Disclosure Document (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, www.collegehunkshaulingjunk.com, and www.collegehunksfranchise.com (collectively, the "**Proprietary Marks**"). Our Parent has licensed the Proprietary Marks to us so that we may sublicense 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 College Hunks Hauling Junk® franchise, a College Hunks Moving® franchise or both, depending on your financial ability and your professional experience. The College Hunks Hauling Junk® concept and College Hunks Moving® concept are two separate but similar business models. They must be budgeted for properly and treated as two separate businesses. However, if you purchase both concepts, there are some shared resources, vendors, and expenses that can be enjoyed between the two businesses for 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 relocating items from one location to another and/or 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 industry for junk removal and moving services 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. Private waste removal and disposal businesses compete on the basis of many factors, such as price, service, location, speed of service and marketing programs. These businesses are often affected by other factors as well, such as changes in economic conditions and seasonal fluctuations. You may also compete with municipal waste removal agencies.

Industry Specific Laws

You must comply with all local, state and federal laws that apply to your Franchised Business operations, including, for example, health, environmental and waste disposal, licensing, EEOC, OSHA, discrimination, employment, sexual harassment and tax laws. Moving companies and junk 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. For example, California law requires moving companies to register with the California Public Utilities Commission. The US Department of Transportation's Federal Motor Carrier Safety Administration administers federal laws relating to this industry and requires registration for interstate moves. 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, dumping, and/or moving.

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 an attorney 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 our inception on October 20, 2006. He has held these same positions with our Parent since its inception on March 25, 2005 and our affiliate Trash Butler since its inception on May 21, 2013. In January 2005, Mr. Soliman opened the first College Hunks Hauling Junk® outlet in Rockville, Maryland. He continues to serve as the CEO of CHHJ, LLC ("**CHHJ**"), which owns and operates the Rockville, Maryland business. He also serves as the CEO of Mansari LLC ("**Mansari**"), which owns and operates a College Hunks Hauling Junk® business in Tampa, Florida. From December 2013 until December 2015, Mr. Soliman was a principal owner of a BlueGrace Logistics® franchise in Tampa, Florida. Since December 2013, he has also been a principal owner of a franchisee entity that owns and operates a Two Maids & A Mop® franchise in Tampa, Florida.

President: Nick Friedman

Mr. Friedman has been our President since inception on October 20, 2006. He has held the same position with our Parent since its inception on March 25, 2005 and our affiliate Trash Butler since its inception on May 21, 2013. In January 2005, Mr. Friedman joined Mr. Soliman in opening the first College Hunks Hauling Junk® outlet in Rockville Maryland. He continues to serve as the President of CHHJ, which owns and operates the Rockville, Maryland business. He also serves as the President of Mansari, which owns and operates a College Hunks Hauling Junk® business in Tampa, Florida. From December 2013 until December 2015, Mr. Friedman was a principal owner of a BlueGrace Logistics® franchise in Tampa, Florida. Since December 2013, he has also been a principal owner of a franchisee entity that owns and operates a Two Maids & A Mop® franchise in Tampa, Florida.

Vice President of Operations and Finance: Roman Cowan

Mr. Cowan became our Financial Controller in December 2013. He was promoted to Vice President of Operations and Finance on January 1, 2017. Prior to joining us, he was an Accountant with OneTouch Direct, LLC in Tampa, Florida from August 2010 to December 2013. From June 2010 to July 2013, he was also the Billing Coordinator for Kforce, Inc., a professional staffing firm located in Tampa, Florida.

Legal Counsel: Kelsie Ackman

Ms. Ackman became our Legal and Compliance Specialist in September 2015. She was promoted to Legal and Compliance Manager in March 2016 and then Legal Counsel in January 2017. Prior to joining us, she was a contract attorney at the law firm of Albertelli Law in Tampa, Florida from May 2015 to September 2015. From February 2015 to May 2015, she was an associate attorney at the Law Firm for Family Law in Clearwater, Florida. Before taking time off to study for the Florida Bar Exam in 2014, she clerked at Parr Richey, Obremsky, & Patterson in Indianapolis, Indiana from May 2013 to September 2013.

Director of Franchise Performance: Laura Butcaris

Ms. Butcaris became our Ramp Up Coach in January 2016. She was promoted to Director of Franchise Performance in August 2017. Prior to that, she was a Franchise Coach for ActionCOACH Global from March 2015 to January 2016. She was General Manager of Kinetic Sports Club in Pelham Manor, NY from December 2012 to March 2015, General Manager of the Mercedes Fitness based in Hoboken, New Jersey from October 2007 to June 2011.

Director of First Contact Sales & Loyalty Center: Tim Heidemann

Mr. Heidemann joined us in Tampa, Florida, in January 2013 as Director of First Contact Sales & Loyalty Center. From 2009 to 2013, he was a Director with IVANS Inc. in Tampa, Florida.

Software Engineering Manager: Matt Knapp

Mr. Knapp has been our Software Engineering Manager since April 2013. Prior to that, he was Guest Arrival Supervisor for SeaWorld Parks & Entertainment in Tampa, Florida from March 2013 to April 2014. From February 2010 to March 2013, Mr. Knapp was a Membership Sales Associate for the Museum of Science and Industry in Tampa. From July 2012 to December 2012, he was also an Information Technology Intern for the University of South Florida in Tampa, Florida.

Franchise Business Consultant: Brendan Powers

Mr. Powers became a Franchise Business Consultant in September 2016. Prior to joining College Hunks, he was a General Manager at All My Sons Moving and Storage in South Florida from March 2015 to September 2016. Prior to that, he was a Transportation and Operations Manager for Iron Mountain in San Diego, California from June 2008 until December 2014.

Franchise Business Consultant: Mike Brienza

Mr. Brienza became a Franchise Business Consultant in October 2017. Prior to joining the corporate team at College Hunks, he began as a Move Captain at our Long Island College Hunks Hauling Junk location in August 2012. He worked his way up from Move Captain to Move Manager and eventually to Performance Manager beginning in July 2015 until he ultimately joined the corporate team.

Franchise Business Consultant: Amy Petersen-Smith

Ms. Petersen-Smith became a Franchise Business Consultant in February 2018. Prior to joining College Hunks, she was the Vice President of International Development at Senior Helpers in Timonium, Maryland from April 2015 to July 2017. Prior to that, she was the Vice President of Services at Senior Helpers from June 2012 until March 2015. Before that promotion, she was the Vice President of Operations for Senior Helpers from June 2008 until June 2012.

Ramp Up Coach: Bridget Tran

Ms. Tran became our Ramp Up Coach in September 2017. She started with College Hunks in 2012 as a Sales and Loyalty Center Agent. She was promoted to a Sales and Loyalty Center Supervisor in April of 2015 She was then promoted to Franchise Support Specialist in August of 2016 until she was promoted into her current role as Ramp Up Coach.

Franchise Development Manager: Kathy Schilling

Ms. Schilling joined us in March 2018 as a Franchise Development Manager. Prior to joining College Hunks, she did frontline sales at Hilton Grand Vacations in Myrtle Bach, South Carolina from February 2017 to September 2017. Prior to that, she was a Franchise Development Manager for 18I8 Fine Men’s Salon from September 2015 to January 2017. Prior to that, she was a Franchise Development Manager at Molly Maid & Protect Painters from May 2014 to June 2015. Prior to that, she was the Director of Business Development at Carstar from March 2013 to April 2014. Prior to that, she was a Franchise Development Executive from October 2012 to March 2013.

ITEM 3
LITIGATION

CHHJ Franchising L.L.C. v. Bienko Enterprises, LLC, et al, In the Circuit Court for the Thirteenth Judicial Circuit In and For Hillsborough County, Florida (Case No. 16-CA 11846). CHHJ and the defendants entered into two written settlement agreements to cure various defaults by the defendants under two franchise agreements with CHHJ. After the defendants defaulted under the settlement agreements, CHHJ terminated the defendants’ franchises and filed suit on December 30, 2016, for damages and related equitable and declaratory relief. The defendants have filed a motion for an extension of time to respond to the complaint.

Other than this action, 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

In this Disclosure Document, all amounts paid to us or our affiliates prior to opening your franchise are considered "initial fees." The initial fees include the amounts described below.

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. If you purchase a College Hunks Hauling Junk® franchise and a College Hunks Moving® franchise concurrently, the initial franchise fee is $50,000 for a standard Zone. The initial franchise fee is imposed uniformly among franchisees, based on the number of Zones purchased. The initial franchise fee includes the initial license fee for the proprietary software you must use. The initial franchise fee is payable in a lump sum when you sign the Franchise Agreement and is fully earned and non-refundable. However, if, during or at the end of initial training, we determine at our sole option that you are not qualified to own a franchise, then we: (i) may terminate the Franchise Agreement; and (ii) will refund the initial franchise fee (without interest), less the amount of any broker fees or commissions paid or payable by us in connection with the franchise sale, provided you and your owners execute an agreed termination of the Franchise Agreement and general release in the form prescribed by us.

If you are a qualified U.S. veteran, we will discount the initial franchise fee by $5,000. A qualified U.S. veteran must have at least a 51% interest in the Franchised Business at all times.

If you choose to purchase either a College Hunks Hauling Junk® franchise or a College Hunks Moving® franchise without purchasing the other franchise concept and subsequently elect to purchase the other franchise concept, you may do so (subject to its availability in your Designated Territory and provided you are in full compliance with the terms and conditions of your Franchise Agreement and satisfy our then-current criteria for franchisees of the franchise concept) by paying us an initial franchise fee of $20,000, then we may sell the other franchise concept within your Designated Territory. However, if you are in full compliance with the terms and conditions of your Franchise Agreement, we will notify you of the proposed sale of the other franchise concept to a third party and you will have 10 days after our notice to purchase the other franchise concept for $20,000. This additional fee is payable when we approve your purchase of the additional franchise concept and is not refundable.

If you qualify to operate multiple Zones and wish to purchase one additional Zone that is contiguous to your Designated Territory at the same time you sign the Franchise Agreement, you must pay us a deposit of $10,500 which is fully earned and non-refundable. The total cost of an additional Zone is $35,000. This fee is non-refundable. Upon successfully operating the Franchised Business for a minimum of 6 months, you may request to complete the purchase of the additional Zone that is contiguous to your Designated Territory. You must complete the purchase of the additional Zone prior to the first anniversary of the date your Franchised Business commences operations. To apply for the additional Zone, you must (i) be in full compliance with the terms and conditions of your Franchise Agreement and all other agreements with us or our affiliates; (ii) complete our then-current form of franchise expansion application that may be posted in our Operations Manual or otherwise made available; and (iii) meet our then-current criteria, including, but not limited to, demonstrated financial ability and minimum revenue/performance criteria for your existing Zone(s). As of the date of this disclosure document, we require: (a) minimum revenue at or above the average 6 month per population revenue attained by the prior year's brand-new franchisees and (b) at least 6 months' available capital or financing (based on your reasonable estimates). We may periodically change the qualifications and criteria for purchasing additional Zones.

If you do not purchase the rights to an additional Zone at the same time you sign the Franchise Agreement, you may purchase an additional Zone at the then-current initial franchise fee, subject to availability and your satisfaction of the criteria described above. This fee is non-refundable.

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 $15,000 for each additional 100,000 in population. If you wish to acquire a fractional Zone after your Franchised Business has started operations, you must complete a franchise expansion application and meet our then-current criteria, as described above.

We currently limit the number of Zones you may purchase to one Zone with an option to purchase a second Zone in 6 months as stated above. After you commence operation of your Franchised Business, the total number of Zones will depend, among other things, on the performance of your existing Zones, your ability to capitalize your Franchised Business and maintain the negotiated truck roll-out schedule, and other criteria that we determine from time to time.

"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 15¢ 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 $13,500. The initial franchise fee is fully earned when paid to us 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 expand your Designated Territory and purchase additional headcount for your small market franchise if we determine that the number of people is not enough to sustain the Franchised Business in accordance with our standards. 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 15¢ 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 $40,000 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 $20,000. The initial franchise fee is fully earned when paid to us 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. The purchase price for the affiliate-operated Zone will be the initial franchise fee ($40,000 or $50,000 for a new franchisee in the System or $40,000 for an existing franchisee who is purchasing an additional Zone) plus a premium equal to or one-half of (as determined by the affiliate selling the Zone) of the annual Gross Sales of the Zone being purchased during the 12-month period preceding the purchase. For example, for the sale to a new franchisee of a standard Zone offering both moving and junk removal, if the Gross Sales in the affiliate or company-owned Zone during the preceding 12-month period were $50,000, then the purchase price would be the initial franchise fee of $50,000 plus a maximum premium of $50,000. If less than a 12-month operating history is available, the Gross Sales to date will be converted to an annualized sales amount by multiplying the average gross sales for the period of operation by 12 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.

Performance Refund

If you own at least one standard Zone and fail to reach $180,000 in Gross Sales during your first 18 months of operations, and you have fully complied with the System and have not at any time been in default of the Franchise Agreement, you may surrender your Designated Territory and cease operations of the Franchised Business. In such case, we will refund 50% of initial franchise fee paid to us by you for your first Zone (i.e. $20,000 if you purchased moving or junk removal, or $25,000 if you purchased both services), provided you submit a notice to us in writing within ten days of the expiration of the 18-month period of operation of the Franchised Business that you wish to exercise this exit/refund option. We will review your request to exit the System to confirm your eligibility (including without limitation that you have fully complied with the System and the terms and conditions of your Franchise Agreement) and notify you within 30 days whether such request is approved or rejected. If we approve, then you must sign an agreed termination of the Franchise Agreement and general release in the form prescribed by us. We will issue refund the 50% of initial franchise fee within 90 days of our receipt of the signed agreed termination and general release and provided you have fully complied with all post-term covenants and obligations in your Franchise Agreement.

Performance Incentive

If you purchase a brand-new Zone (not a Zone that has previously been owned and developed) and reach $400,000 in Gross Sales during your first 18 months of operations in said Zone, and you have fully complied with the System and have not at any time been in default of the Franchise Agreement, we will pay you a marketing incentive of $5,000. You must submit to us a request in writing that you wish to exercise this incentive within ten days following the expiration of the 18-month period of operation of the Franchised Business. We will review your request to confirm your eligibility for the Performance Incentive (including without limitation that you have fully complied with the System and the terms and conditions of your Franchise Agreement) and notify you within 30 days whether such request is approved or rejected. If approved, we will issue a credit in the amount of $5,000 within 90 days of our acceptance of your request. This Performance Incentive applies to all additional brand-new Zones that are purchased after the original brand-new Zone.

Deposit Agreement

In limited instances, we may require you to pay a deposit to us in an amount that is equal to 30% of your initial franchise fee. In that case, you must sign a Deposit Agreement, which will be provided to you upon signing the Franchise Agreement. 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 (3)	7% of Gross Sales (2)	Payable on the 3rd and 18th days of each month by electronic funds transfer	This amount is due on all Gross Sales for Services within your Designated Territory. We charge a 7% Continuing Royalty Fee for Gross Sales outside your Designated Territory (the "**Outside Gross Sales**"). However, if your Outside Gross Sales are more than 30% of the total Gross Sales of your Franchised Business, you must either purchase the additional Zone or we may charge you an additional 5% Continuing Royalty Fee on the Outside Gross Sales in addition to your other fees including the standard 7% Continuing Royalty Fee. You may not provide Services outside the Designated Territory without our prior written consent. You must stop providing Services outside the Designated Territory immediately upon receipt of notice from us to stop. (See Note 9)

Minimum Annual Royalty – Moving Only / Junk & Moving (3)	$6,000 per Zone during 1st year of operations; $7,200 per Zone during 2nd year of operations; $9,600 per Zone during 3rd year of operations; $12,000 per Zone during 4th year of operations; and $14,400 per Zone during each subsequent year of operations. The amount payable by you is the amount by which the Minimum Annual Royalty exceeds the total Continuing Royalty Fees actually paid by you during that year of operations.	Within 15 days of each anniversary of the date the business commences operations	This is only payable if the total Continuing Royalty Fees paid by you in any year of operations are less than the total Minimum Annual Royalty for that year. (See Notes 3 and 9)
Minimum Annual Royalty Junk Only (3)	$4,500 per Zone during 1st year of operations; $5,400 per Zone during 2nd year of operations; $7,200 per Zone during 3rd year of operations; $9,000 per Zone during 4th year of operations; and $10,800 per Zone during each subsequent year of operations. The amount payable by you is the amount by which the Minimum Annual Royalty exceeds the total Continuing Royalty Fees actually paid by you during that year of operations.	Within 15 days of each anniversary of the date the business commences operations	This is only payable if the Total Continuing Royalty Fees paid by you in any year of operations are less than the total Minimum Annual Royalty for that year. (See Notes 3 and 9)

SLC Support Fee (4)	$799 per month for junk-only franchises which includes software, service and support. $945 per month for moving only or junk and moving franchises which includes software, service and support.	Payable at the same time and in the same manner as the Continuing Royalty Fee	This fee compensates us for administering the SLC (including staffing and equipment purchases), software license and upgrades, and maintenance fees for our intranet. We reserve right to adjust every year to reflect consumer price index changes. There is no SLC Fee for the first 6 months unless the franchise results from a transfer or renewal. (See Note 9)
SLC Appointment Fee (4)	$19 per scheduled appointment by the SLC	Payable at the same time and in the same manner as the Continuing Royalty	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" or "per appointment" means a booked move, booked junk removal estimate, booked in-home estimate, or booked junk removal consultation. We reserve right to adjust every year to reflect consumer price index changes. (See Note 9)
Brand Development Fee (5)	2% 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. (See Note 9)

Local Advertising	If you have a moving business, you must spend the greater of $1,500 or 8% of Gross Sales each month on local advertising. If you have a junk hauling business, you must spend the greater of $1,100 or 8% of Gross Sales each month on local advertising. The required minimum local advertising expenditures described above is in addition to marketing collateral and supplies.	To be spent each month	Payable to local advertising suppliers. 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. We may require our franchisees to form regional advertising cooperatives in their local markets. (See Note 6).
E-mail Account	We currently do not charge for the first 3 e-mail addresses, but you must pay $8 per month for each additional e-mail address/account.	As invoiced	For brand consistency, we will assign or designate all e-mail accounts used in the operation of your franchised business. We have the right to control the use of all e- mail accounts. You must reimburse us for the per-user

Type of Fee (1)	Amount	Date Due	Remarks
			cost of the e-mail account(s) associated with your franchised business. These fees may increase if our costs increase.
CHC Bookkeeping Program	$150 per month to $950 per month depending on your monthly revenue; if you ask us to provide Accounting Services outside the scope of our typical Accounting Services, we may charge you $20 per hour.	10 days after invoice	This fee compensates us for administering the CHC Bookkeeping Program, including staff and software expenses. Generally, this program is optional, but we may require you to participate if you fail to provide any financial information we require. We impose and collect fees for the CHC Bookkeeping Program, and such fees are payable only to us. Fees for participation in the CHC Bookkeeping Program are only refundable if we provide deficient services. This fee is uniformly imposed across franchisees that are in the same tiers based on revenue.
Transfer Fee (Franchise Agreement)	$15,000	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 Fee	$5,000	At time of renewal	At time of renewal
Late Renewal Fee	$50 per day	As incurred	If you sign the Renewal Franchise Agreement after the Franchise Agreement expires, you must pay us $50 per day for every day that your Franchised Business operates without a Renewal Franchise Agreement.
Non-Compliance	Infraction fee up to	On demand after	If there are 3 or more

Type of Fee (1)	Amount	Date Due	Remarks
Fee (8)	$2,000 per infraction.	written warning for non-compliance occurrences.	infractions in any 12-month period (whether or not such infractions are cured after notice), we may terminate your Franchise Agreement.
Late Reporting Fee	$150 per late report; increases to $250 for any consecutive violation(s)	On demand.	For any reports that are not provided to us within 3 business days of their due date. We are not required to issue prior warnings before assessing late reporting fees. (See Note 9)
Initial Training And Additional Personnel Training	No fee for the first 2 people who attend initial training ($500 per person after the first 2). A per person fee will be determined by us for Additional Personnel Training and depends on the instructor's fee, travel, lodging, meals, and any instructional materials associated with the training topic	15 days prior to training	We do not charge any additional money for the initial training for up to 2 people. Additional training is provided, if necessary, for you, your managers or your employees at a fee per person. You are responsible for all travel, meals, lodging, and wages for your trainees.
Refresher Training Program/ Continuing Education	$500	As incurred	We have the option of providing refresher training or other training programs, which can last up to 5 days, but can be on-line or in class, as we determine.
Enrichment Training	$500 per person.	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, including all travel, meals, lodging, and wages for you

Type of Fee (1)	Amount	Date Due	Remarks
			and your trainees.
Cancellation Fee	$300 per person	As incurred	If your personnel fail to attend the Training Program they register for, or if the registration is not cancelled 4 weeks in advance (or longer), you must pay a $300 Cancellation Fee per person.
Interest on Overdue Amounts	18% per annum or highest rate allowed by applicable state law	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.
Audit	Amount of the deficiency, plus interest; if audit is due to non- reporting or reveals an understatement of 2% or more, then you must pay the amount of the deficiency or $500, whichever is greater, plus the cost of the inspection or audit.	15 days after billing	If a deficiency occurs, 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)	Currently $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 3 days
Missed Convention Fee	$500	On demand	If you do not attend the Annual Convention and your absence is not excused by us. This is in addition to the Annual Franchise Convention

Type of Fee (1)	Amount	Date Due	Remarks
			Fee (currently $500).
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 agreement for cause prior to its expiration.
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 7 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	$2,500	If incurred	If you request that we modify the Franchise Agreement to include an additional person

Type of Fee (1)	Amount	Date Due	Remarks
			as either a franchisee or a franchisee's principal.
Violation of Non-Competition Covenant	$10,000	On demand.	If you violate any of the non-competition covenants.
Mystery Shopper Program	$200 per shop	On demand.	Payable by you if we determine your Franchised Business has received a significant amount of negative feedback. This is in addition to enrichment training.
Penalty Fee for Sales in Another Franchisee's Designated Territory	Amount equal to 20% of job revenue for 1st violation, 50% of job revenue for 2nd violation, and 100% of job revenue for 3rd violation.	On demand.	If you perform Services in a designated territory granted to another franchisee (or reserved for us or our affiliate), you must pay a penalty fee equal to a percentage of the job revenue for each violation. Repeated violations may result in termination of your Franchise Agreement.
National Account Commission	Varies on case-by-case basis depending on the size of the National Account and the scope of services that we provide in managing or servicing the National Account or the National Accounts program.	As incurred	If you participate in our National Accounts Program, we may charge you a commission or other fee, in addition to the Continuing Royalty Fee, for securing and/or servicing any National or Regional Account(s) and/or administering the National Accounts program. These fees will be described in the applicable National Accounts agreement or the Operations Manual.
Temporary Zip Codes Leasing Fee	$50 per month.	As incurred	Payable if you and we agree that you are permitted to service clients in zip code(s) outside of your designated territory.

Resale Assistance Program (11)	3% - 8% of the purchase price of the Franchised Business	As incurred	This fee is only due if you request our assistance in the resale of your Franchised Business.

(1) Unless otherwise noted in the chart, all fees are imposed uniformly on all franchisees 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 all products and/or services sold and/or performed for such clients, whether for cash, check, barter, debit or credit card, plus any other revenues derived from the operation of the Franchised Business and all amounts received by the franchisee from any activities or services (whether authorized or unauthorized) that are in any way associated with the Proprietary Marks or the System, or from the sale of any unauthorized products or services (whether or not such sales are made through the Franchised Business) that are competitive with products or services offered or sold by us or our affiliates, but excluding (i) federal, state or municipal sales, use, service or excise taxes collected from clients and paid to the appropriate taxing authorities and (ii) client refunds. Gross Sales also includes revenue that would have been collected had the client actually paid for services rendered but did not, regardless of if the service was performed gratuitously by the franchisee or if the client refused to pay for service rendered (whether through returned checks, stop payment on a credit card or check, etc.). Gross Sales does not currently include revenues from re-sale items, consignments, recycling, scrap, etc., but we reserve the right, in our sole discretion, upon 30 days' prior notice to you, to include such revenues in the definition of Gross Sales. 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. Although we do not currently include recycling/scrap related revenue in Gross Sales for purposes of the Continuing Royalty Fee and/or Brand Development Fee, you are required to report recycling/scrap revenue to us on the 2nd and 17th day of the month (or as otherwise provided in the Manual from time to time).

(3) The Continuing Royalty Fee is the brand licensing fee that you pay to us for being part of our growing national brand and for the use of the Marks. If, at the end of any year of operations, the total of all Continuing Royalty Fees paid to us that year is less than the "**Minimum Annual Royalty**" amount for that year, you must pay us an amount equal to the difference between the Minimum Annual Royalty and the total of all Continuing Royalty Fees actually paid to us for that year. The amount of such difference (if any) must be paid to us on or before the 15th day of the month immediately following the anniversary of the date that you commence operations of the Franchised Business. An excess royalty from one zone will not offset the minimum royalty shortfall due from any other zone. The Minimum Annual Royalty amounts are as follows:

Year of Operations	**Moving Only or Junk & Moving Franchises Minimum Annual Royalty***	**Junk Only Franchises Minimum Annual Royalty***
1	$6,000 per Zone	$4,500 per Zone
2	$7,200 per Zone	$5,400 per Zone
3	$9,600 per Zone	$7,200 per Zone
4	$12,000 per Zone	$9,000 per Zone
5 or subsequent	$14,400 per Zone	$10,800 per Zone

*Royalty paid in excess of the Minimum Annual Royalty in any Zones is neither applied nor will it offset, any shortfall due to us in any other Zone.

(4) The Support Fee covers technology (HunkWare software license and ongoing software development), client surveys, software, communication automation, live chat, customer service response and follow up, helpdesk, management, etc. The Appointment Fee is charged for each appointment scheduled or booked by the SLC. The Appointment Fee is the sales funnel for your business.

(5) The Brand Development Fee is used for brand development and includes online bookings on a system-wide basis. See Item 11 for a description of the Brand Development Fund.

(6) 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 the greater of (a) 24 months and (b) the number of months remaining in the Agreement had it not been terminated. Liquidated damages apply only if we terminate your Franchise Agreement due to your non-compliance with the terms of and your obligations under the Franchise Agreement and your failure to cure such default within the timeframe required.

(7) 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 and Franchisor-owned business (collectively, the "**Outlet**") in the cooperative will have one vote, regardless of the number of Zones owned by the Outlet. 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.

(8) Non-compliance fees will be charged for non-compliance with the Franchise Agreement or any of the procedures, standards and specifications described in the Manual. This includes, but is not limited to, truck maintenance and safety standards, employee appearance and uniforms, and First Contact Sales & Loyalty Center requirements (such as time to contact customers, missed appointments, etc.). The non-compliance fee amounts are described in the Manual and may be amended by us from time to time. The non-compliance fee amounts may vary depending on the nature and frequency of the non-compliance event, as determined by us in our sole discretion. For example, (a) we currently impose a non-compliance fee of $250 per person, per violation, if you or any of your employees fail to wear the required uniform or do not maintain a neat and clean appearance; and (b) up to $2,000 for misreporting or client service incidents. Each event of non-compliance also constitutes an event of default under your Franchise Agreement, entitling us to terminate the Franchise Agreement if you do not timely cure the default.

(9) We may require any and all fees payable under the Franchise Agreement to be paid to us by electronic funds transfer. You must sign any forms that we or your bank require to electronically transfer funds from your bank operating account to us for payment of these fees.

(10) 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; except to round upwards to the nearest whole dollar. 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 at least 12 months following your Franchise Agreement Date. Franchisor's failure to adjust any fixed dollar amounts due to changes in the Index at any time does not constitute a waiver of its right to do so at any other time, including for past periods. However, Franchisor will not impose such adjustments retroactively.

(11) If you elect to participate in the resale program in connection with the sale of your Franchised Business, you will pay a fee to us of 3%-8% of the purchase price that you accept for the Franchised Business depending upon whether you also retain the services of a third party broker to whom you must pay a fee. We reserve the right to require you to enter into a separate franchise resale program agreement in a form prescribed by us.

ITEM 7
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
Rent – 3 Months (Note 4)	$600 to $2,500	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)	$3,100 to $5,500	As arranged	As incurred	Approved Suppliers
Service Vehicle – Deposit on Lease or Finance (Note 6)	$-0- 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)	$2,000 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 Expense (Note 12)	$1,500 to $5,000	As arranged	Payment terms arranged with suppliers and your employees	Suppliers and your employees
Business Ramp-Up Advertising (Note 13)	$10,000 to $20,000	As arranged	As arranged	Suppliers
Additional Funds (6 months) (Note 14)	$28,000 to $80,000	As arranged	As needed	Us, suppliers, employees and other creditors
TOTAL ESTIMATED INITIAL INVESTMENT (Note 15)	**$89,300 to $208,200**			

(1) In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. Our estimate assumes that you are purchasing one Zone only. If 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 15¢ per person in the Zone you are purchasing, and the Initial Franchise Fee will range from $750 to $49,999.90. 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 franchise, 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 manufacturer's specifications and design. The estimated cost of the dump body is approximately $16,000 to $22,000, and the estimated costs 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 continue 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 $3,000 and $4,000. 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 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 size, appearance, and performance. If you wish to purchase a used moving truck, the truck must be approved by us before you 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 include an estimate for the required dump permits, in addition to other business licenses and permits you may be required to have by your local government. 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 license requirements vary significantly state by state with some states having very rigorous and expensive licensing requirements. 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.

(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) Business Ramp-Up Advertising. You must conduct a business ramp-up (grand opening) advertising campaign to promote your Franchised Business within the first 180 days of commencing each service (moving and junk removal), 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 for business ramp-up is $10,000 per service per Zone (i.e. $10,000 for moving and $10,000 for junk removal). We must approve your business ramp-up advertising campaign before you use it, and the programs/materials must be spread over each 180-day period from the date you begin providing each service. 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 3 months. This is only an estimate and there is no guarantee that additional working capital will not be necessary during the start-up phase or after.

(15) The estimates provided above assume that you will have one Service Vehicle and own one Zone. ***If you choose to purchase both concepts 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 3-month phase or at any time after the initial 3 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 (the "**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 or charge you a separate fee for the license. Rather, the cost of the initial license for the proprietary software is included in the initial franchise fee. The ongoing costs for upgrades and operations are included in the SLC Support Fee.

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 currently suppliers of any products or services provided in establishing or operating your Franchised Business and do not currently derive any revenue from franchisees' 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. 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 2007 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). 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 (personal digital assistant) (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 50% to 75% of your total purchases in connection with the establishment of your Franchised Business and between 25% to 30% of your total purchases in operating your Franchised Business.

During 2017, neither we nor our affiliates received any rebates or other revenue or benefits from suppliers arising out of franchisees' purchases of goods or services. However, we did receive a total of $164,410 of voluntary sponsorship funds from various suppliers utilized to help defray our costs of organizing and producing our annual franchise reunion, but these were neither required payments nor were they based on franchisees' required purchases of products or services. There were 32 sponsors that contributed at least $20,000 in voluntary sponsorship funds.

During 2017, we received revenues of $102,500 related to franchisees' purchases or leases from us where we acted as a "pass through" to facilitate the franchisees' purchases of products and services from third party suppliers and vendors for direct mail advertising, uniforms, promotional products, software, and internet marketing. This amount represents less than 1% of our total revenues of $11,745,700 for the fiscal year ended December 31, 2017. Of the $102,500 in revenues, we paid in addition to the vendors approximately $800 as additional contributions towards the Franchisees.

We require all of your appointments to be scheduled, processed, reviewed and delivered by the designated First Contact Sales & Loyalty Center ("**SLC**"). The SLC 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 SLC before performing any jobs that you or your employees generate in accordance with the terms of 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 and combination laser printer/scanner.

We will notify you in our 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 may have them in the future and we expect to be paid fees from these vendors or approved suppliers. We may negotiate with vendors and suppliers to provide pricing benefits for us, our affiliates and our franchisees. In doing so, we seek to promote the overall interests of our franchise system and our interests as the franchisor. We may develop preferred vendor programs for certain items or services, and you must participate in such preferred vendor programs, which may require you to enter into an agreement with the preferred vendor or approved supplier. We may limit the number of preferred vendors or approved suppliers with whom you and other franchisees may deal.

Standards and Specifications

We have developed standards and specifications for services provided by you. You must operate your Franchised 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 may revoke the approval of any supplier at any time and if we do so, we will notify you in writing.

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 or fees, rebates, or other compensation for our administrative, procurement and consulting services. 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. 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 Operations Manual and may change during the term of your Franchise Agreement and based on the franchise concept(s) 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 under 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; (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. We recommend, but do not require, that your comprehensive general liability policy include employment practices coverage.

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. We currently require you to maintain cargo insurance coverage of $50,000 per truck, regardless of the truck's size or the amount of property being moved. If you will offer moving services; we recommend, but do not require, that you obtain: (a) employee dishonesty insurance of not less than $10,000; and (b) a third-party dishonesty bond of not less than $10,000.

In addition to the insurance requirements described above, we recommend, but do not require that you obtain the following additional insurance for the Franchised Business: (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
(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

Obligation	Article in Franchise Agreement	Disclosure Document Item
(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

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

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

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

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 training 2 persons 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 5.20).

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 First Contact Sales & Loyalty Center ("**SLC**") system is to be used for the benefit of each of our franchisees. The SLC is a centralized operations center located at our headquarters. The SLC will receive leads which it will distribute to you and all of our other franchisees based on the zip codes in their Designated Territory. (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, in their dealings with customers and their property, but any other information relating to terms and/or conditions of employment are not mandatory but merely suggestions. All other matters that in our sole judgment require standardization and uniformity in all Franchised Businesses. (Franchise Agreement – Article VI)

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 2% of your Gross Sales. The Fund will be used for brand development, including online bookings, on a system-wide basis. 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. In 2017, no percentage of the Fund was used principally for the solicitation of new franchise sales.

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. We have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs) of developing, producing, implementing and/or distributing any advertising programs and materials and collecting the Brand Development Fee, including accounting, collection, bookkeeping, reporting and legal expenses incurred with respect to the administration and development of the Fund; and, in addition, for the services provided, we are entitled to receive out of the Fund an administrative fee equal to 10% of the amounts actually expended to cover our related 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 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. We will prepare, and furnish to you upon written request, an unaudited annual statement of Funds collected and costs incurred. You may obtain an accounting of the Fund by requesting same in a written request to us.

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 2017, the Fund expended monies for advertising as follows:

Item	**Percentage Expended**
Software	6%
Marketing and Advertising	55%
Administration	20%
Professional Fees	19%
TOTAL	**100%**

Local Advertising

You must place your initial listing in the White Pages of your local telephone directories. This listing will list the SLC'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 $1,500 for moving service advertisement per Zone and $1,100 for junk hauling per Zone, or 8% of Gross Sales, whichever is greater, each month 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. 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 an advertising cooperative ("**Cooperative**") for any area where there are two or more Franchised Businesses in operation, or we may approve a Cooperative formed by franchisees within an area. The purpose of a Cooperative is to conduct advertising campaigns for the Franchised Businesses located in that area. Contributions to a Cooperative will be determined by majority vote of the members of the Cooperative. Any amounts paid to a Cooperative will count as part of your local advertising requirement, but if the amount you contribute to a Cooperative is less than the amount you must spend on local advertising, you must still spend the difference locally.

If a Cooperative 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. If a Cooperative for your area is established after you begin to operate your Franchised Business, then you will have 30 days to join the new Cooperative. An individual Franchised Business will not need to be a member of more than one Cooperative. If we (or an affiliate) contribute to a Cooperative, 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, regardless of the number of Zones owned by the Franchised Business, will have one vote on Cooperative matters.

The Cooperative members will determine who will administer the Cooperative. The written governing documents will be available for review by you. Cooperatives 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 (i.e., percentage of Gross Sales versus flat fee) and contribution amounts.

As of the date of this Disclosure Document, there are no advertising Cooperatives in existence.

Business Ramp-Up Advertising

You must submit a written plan for a business ramp-up advertising campaign. This business ramp-up advertising is to be conducted by you in connection with the grand opening of your Franchised Business and must be conducted during the first 180 days of commencing each service. At our request, you must give us the money for your business ramp-up 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 bylaws 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 11 franchisee representatives and 5 franchisor representatives.

Internet and Social Media

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 60 and 90 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). 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. No site selection assistance is provided nor is any criteria issued, however, the office location is subject to our acceptance. You cannot use your or any other residence as the office for the Franchised Business. 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 2 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 employees in attending the training program. (Franchise Agreement – Section 5.3.) In addition, we may elect to provide up to 3 days of additional on-site training during the first 3 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 5.4.)

When we decide to hold it, you or your representative must attend our annual convention and pay an attendance fee, currently estimated to be $500 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 4 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

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Daily Operations	3	18	Online Training Module and Tampa, Florida
Safety & Accident Prevention	2	0	Online Training Module
Client Estimating, Sales & Negotiation	2.5	4	Online Training Module
History, Philosophy and Vision of College Hunks Hauling Junk	2	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	6	1	Tampa, Florida
Budgeting	2	2	Tampa, Florida
Accounting Systems	1	3	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
SLC 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	3	6	Online Modules and Tampa, Florida
Moving Technical Training – Truck Ops, Driver and Manager Training	8	6	Online Modules and Tampa Florida
TOTAL	**53**	**55**	

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. Laura Butcaris has primary responsibility for providing the initial training program. She has 2 years' experience delivering the training program and 10 years' relevant experience in training. The minimum experience of the instructors in the field that is relevant to the subject taught and our operations is from 2 to 7 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. You must pay us an enrichment training fee of $500 per person. You are also responsible all expenses you or your trainees occur, including but not limited to salaries, lodging, food, and travel. 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, your Franchised Business has suffered negative growth for 6 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 First Contact Sales & Loyalty 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 3 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 3-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, 4 GB RAM, 200 GB hard drive, Recordable CD drive, 10/100 Ethernet NIC, DSL or cable modem, power bar with surge protector and a combination laser printer/scanner. Minimum software requirements include: Windows 7; antivirus software; Office 2013 Pro, the latest version of Google Chrome, 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 maintain a dedicated business e-mail account for the Franchised Business. We currently require Microsoft® Office 365. We will create and assign the e-mail account to you for use during the term of the Franchise Agreement, and we will have administrative access to your business e-mail account. You will be responsible for the per user cost associated with e-mail and Office 365 accounts that we establish for your Franchised Business. Neither you, nor any of your owners or employees, are permitted to use an e-mail address that is not associated with our CHHJ.com URL for your College Hunks Hauling Junk® and/or College Hunks Moving® franchised business.

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 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 SLC Support Fee, but neither we nor our affiliates will provide you with any other updates, upgrades or maintenance for your computer system.

There are no specific contractual obligations limiting the frequency or cost of your obligation to acquire upgrades and updates for the computer system 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.

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 First Contact Sales & Loyalty 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. Except for your business e-mail and QuickBooks account, we do not have direct access to the data on your computer. However, we may in the future require that you install and maintain systems that permit us to access and retrieve electronically any information stored in your computer system, including information concerning the Gross Sales of the Franchised Business. Any personal information inadvertently obtained from you or your computer system will not be provided to any other franchisee or any third party.

You must participate in and provide financial information as required by us in connection with any profitability benchmarking programs we develop or designate from time to time for College Hunks Hauling Junk® and/or College Hunks Moving® businesses. Profitability benchmarking systems are designed to measure the financial performance of franchisees and the overall franchise system and may be used to collect and prepare financial performance information for our franchise disclosure document or for any other purpose that we deem appropriate. There are no restrictions on our right to use information collected or obtained in connection with any profitability benchmarking programs or contained in any other reports or information that you submit to us under the Franchise Agreement or the Operations Manual. Failure to provide any financial information may result in you being required to enroll in the CHC Bookkeeping Program.

Operations Manual

Attached to this Disclosure Document as Exhibit "F" is the Table of Contents of the Operations Manual, which includes multiple volumes. The Operations Manual (all volumes) includes approximately 560 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 standard Zone will have a population of between 300,000 to 400,000 people. During the term of your Franchise Agreement, 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). The Designated Territory size will not be reduced or increased due to any change in population of any Zones during the term of your Franchise Agreement.

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 franchise concepts being offered in this Disclosure Document (i.e., College Hunks Hauling Junk® franchise or College Hunks Moving® franchise) and not both, we have the right to operate such other franchise concept, or to grant a franchise to another franchisee to operate such other concept, within your Designated Territory. If you are in full compliance with the terms and conditions of your Franchise Agreement, we will notify you of the proposed sale of a franchise for the other franchise concept in your Designated Territory. You will have 10 days after receipt of our notice to purchase the other franchise concept, provided you: (a) meet our then-current qualifications for purchasing the additional franchise concept; (b) demonstrate, to our reasonable satisfaction, your financial capability to purchase or lease the additional truck(s) and equipment required for the operation of the additional franchise concept; (c) complete any required training for the additional franchise concept within the time period we specify; and (d) pay the additional initial franchise fee for such franchise concept. If you elect not to exercise your right to purchase the other franchise concept or fail to respond to our notice within the ten-day period following our notice, then we may operate or grant a franchise to another franchisee to operate such franchise concept within your Designated Territory. If you are not in full compliance with the terms and conditions of your Franchise Agreement, you will not be offered the opportunity to purchase the other concept and we may operate or grant a franchise to anyone else for the operation of such concept within your Designated Territory.

We currently offer College Hunks Moving® (moving services) as 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 provide College Hunks Moving® services as part of the Franchised Business, you must acquire additional equipment, insurance and the vehicle we require for performance of such services and satisfy our then-current training requirements for College Hunks Moving® services. Providing College Hunks Moving® services is currently 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 system / franchise opportunity in the future.

While we encourage you to expand to your maximum potential, including acquiring additional Zones and/or Franchised Businesses, you must meet certain minimum qualifications before you will be eligible to purchase additional Zone(s) or acquire another Franchised Business. Our approval of your request to purchase additional Zone(s) or another Franchised Business is not a guarantee that any Zone or such Franchised Business will be successful. We do not grant you any options or rights of first refusal to acquire additional Zone(s) or franchises unless agreed to in writing at the time of signing the Franchise Agreement.

If you wish to purchase an additional (contiguous) Zone at the time you sign your Franchise Agreement, you must pay us a deposit of $10,500, which is fully earned and non-refundable. The total cost of an additional Zone is $35,000. After you have been operating the Franchised Business for a minimum of 6 months, you may request to complete the purchase of the additional Zone that is contiguous to your Designated Territory. To do so, you must (i) be in full compliance with the terms and conditions of your Franchise Agreement and all other agreements with us or our affiliates; (ii) complete our then-current form of franchise expansion application that may be posted in our Operations Manual or otherwise made available; and (iii) meet our then-current criteria for purchasing additional Zones, including, but not limited to, demonstrated financial ability and minimum revenue/performance criteria for your existing Zone(s). As of the date of this disclosure document, we require: (a) minimum revenue of at or above the average 6 month per population revenue figure based on the prior year's franchises ramp up data and (b) at least 6 months' available capital or financing (based on your reasonable estimates). We may periodically change the qualifications and criteria for purchasing additional Zones. You must exercise the right to purchase the additional Zone that you have reserved prior to the first anniversary of the date your Franchised Business opened for business to the public.

If you wish to purchase additional (contiguous) Zones during the term of your Franchise Agreement, you must submit our then-current form of franchise expansion application that may be posted in our Operations Manual or otherwise made available. You will not be eligible to purchase any additional Zone(s) unless you are in full compliance with the terms and conditions of your Franchise Agreement and meet our then-current qualifications and criteria. As of the date of this Disclosure Document, these qualifications and criteria include the following:

(a) Your current Franchised Business must be in operation for at least 6 months before you may apply to purchase additional Zone(s) and at least 12 months before you may apply to acquire a new Franchised Business. You must have achieved at least $30,000 in Gross Sales per month per existing Zone for the current Franchised Business;

(b) You must demonstrate, to our reasonable satisfaction, that you have minimum "liquid capital" equal to 6 months of operating capital for the entirety of the Designated Territory (including the additional Zone(s) or new Franchised Business you wish to purchase), based on your reasonable projections. The term "**liquid capital**" means all cash, loans, and lines of credit for the Franchised Business, and other assets that can be liquidated in less than one week;

(c) You must submit an annual financial statement for the Franchised Business for the most recently completed fiscal year, a year-to-date profit and loss statement, a balance sheet as of the end of the calendar month preceding your request to purchase the additional Zone(s) or new Franchised Business, and current personal net worth statements for your owners, to demonstrate your financial ability to operate multiple Zones and/or another Franchised Business; and

(d) You must be in good standing and full compliance with your existing Franchise Agreement and all other agreements relating to the Franchised Business (such as financing documents, vehicle or equipment leases, etc.), and any other agreements between you (or your affiliates) and us (or our affiliates).

We reserve the right to grant or refuse to grant an additional Zone or Franchised Business, in our sole discretion. We cannot guarantee that a Zone you wish to purchase after your Franchised Business begins operations will be available unless agreed to in writing at the time of signing the Franchise Agreement. We will make our determination of whether or not to grant additional Zone(s) or a new Franchised Business based on our own assessment of each franchisee's individual qualifications.

If you wish to acquire additional Zone(s) after you commence operations of the Franchised Business and we approve such request, in our sole discretion, we may require you to sign our then-current form of Franchise Agreement and ancillary agreements (which may contain terms that are materially different from your existing Franchise Agreement), which will replace and supersede your existing Franchise Agreement. The term of this new Franchise Agreement may, in our sole discretion, be modified to expire when your original agreement would have expired.

You must sign a separate franchise agreement for each office and physical location, and you must have at least one office per 4 Zones. For example, if you purchase 5 Zones, you must have 2 offices and 2 separate franchise agreements. You must satisfy our then-current qualifications and prepare a business plan and demonstrate financial viability to operate more than 1 Zone.

Except for your right of first refusal to acquire the other franchise concept within your Designated Territory (if you do not initially purchase both the College Hunks Hauling Junk® and College Hunks Moving® concepts offered under this Disclosure Document), you do not receive any options, rights of first refusal, or similar rights to acquire additional franchises or territories.

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 within your Designated Territory. Except for the Minimum Annual Royalty described below, continuation of your territorial exclusivity does not depend on your achieving a certain sales volume, market penetration, or other contingency.

Each year during the term of your Franchise Agreement, you must generate a minimum amount of Gross Sales to meet our Minimum Annual Royalty requirements. If you fail to achieve the level of Gross Sales to generate the Minimum Annual Royalty amount, you must pay us an amount equal to the difference between the Minimum Annual Royalty and the total of all Continuing Royalty Fees actually paid to us for that year. In addition, we may, at our option, take back a Zone (if you have purchased multiple Zones) and/or remove exclusivity from all or a portion of your Designated Territory, if you fail to generate the level of Gross Sales that correspond to the Minimum Annual Royalty Amount.

The Minimum Annual Royalty amounts are as follows and vary depending on the type of franchise services offered:

Year of Operations	**Moving Only or Junk & Moving – Minimum Annual Royalty (Per Zone)***	**Junk Only – Minimum Annual Royalty (Per Zone)***
1	$6,000	$4,500
2	$7,200	$5,400
3	$9,600	$7,200
4	$12,000	$9,000
5 or subsequent	$14,400	$10,800

*Royalty paid in excess of the Minimum Annual Royalty in any Zones is neither applied nor will it offset, any shortfall due to us in any other Zone.

The first year of operations begins on the "Commencement of Business," which is the date that the Franchised Business first receives any revenues or provides any Services, whichever occurs first. Each subsequent year of operations is measured from the respective anniversary of the Commencement of Business.

If the Franchise Agreement relates to the renewal of an existing franchise, the Minimum Annual Royalty will be the amount set forth under year "5 or subsequent" for the entire term. Similarly, if the Franchise Agreement relates to the transfer of an existing franchise, the Minimum Annual Royalty (and any increases) will be based on the number of years the franchise has been in operation as of the effective date of the Franchise Agreement.

These minimums should not be deemed to be a projection or estimation of how much money or revenue 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. Because 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.

You will receive an exclusive territory subject to the conditions described in this Item 12. You will not face competition from other College Hunks Hauling Junk and Moving franchisees in your Designated Territory, from outlets that we own, or from other channels of distribution or competitive brands that we control.

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 offer and sell, and grant rights to other franchise owners to offer and sell, any junk removal, moving and/or related products or services identical or similar to, or dissimilar from, those your Franchised Business sells, outside of your Designated Territory, whether identified by the Proprietary Marks or other trademarks or service marks, through any distribution channels we deem best;

(3) 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;

(4) 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 buyback provisions described below and in Article XXII of the Franchise Agreement; and

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

You may relocate your Franchised Business only with our prior written approval. Our approval will be based upon many factors, including the then-current viability of the proposed location and demographics (including population, size of the space and rental costs relating to the proposed location), number of residential homes, traffic patterns, size of the premises, lease terms, competition, and similar factors. This approval should not be construed as an assurance or guaranty that the new site will be successful. If we approve the relocation of your Franchised Business, the new location must be within your Designated Territory.

You may use the Internet to advertise only in compliance with the Franchise Agreement and the Operations Manuals. You may not engage in any promotional activities or sell any junk removal, moving or related services, directly or indirectly, on or through the Internet or other alternative distribution channels, such as catalog sales or telemarketing, including toll-free numbers, directed to or received from clients or prospective clients. You may place advertisements in printed media and on television and radio that are targeted to clients and prospective clients located within your Designated Territory, as determined and approved by us, and such advertisements 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. However, you may not make any sales or perform services for clients outside your Designated Territory unless the First Contact Sales & Loyalty Center directs those leads to you, because the First Contact Sales & Loyalty Center will determine which franchisee will perform these services.

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 30% or more 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 meet our then-current qualifications to purchase an additional Zone. If you choose to not purchase the additional Zone, or do not meet our then-current qualifications to purchase the additional Zone, we may, at our sole option: (a) require you to immediately stop providing services in that area, or (b) allow you to continue providing services in that area subject to your payment of an additional 5% Continuing Royalty Fee in addition to the standard 7% Continuing Royalty Fee (12% total) of your Gross Sales outside the Designated Territory. The additional 5% will be non-refundable but can be applied to the purchase of additional Zones (although it does not guarantee the purchase of such 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.

Neither we nor our affiliates have established, or presently intend to establish, other franchised or company-owned outlets that 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.

Our affiliate has established and operates a doorstep valet trash pickup service under the trademark and trade name "Trash Butler®," which contracts with apartment complexes and multi-unit housing communities to pick up bagged garbage placed outside residents' doors and take it to on-site dumpsters or compactors up to 5 times per week. In certain instances, Trash Butler may subcontract these services to our franchisees, although it is not obligated to do so. We may, in the future, designate Trash Butler as a National Account. Trash Butler may provide doorstep valet trash pickup services to apartment complexes and multi-unit housing communities within your Designated Territory and the territories of other franchisees. We do not consider Trash Butler® businesses to be competitive with College Hunks Hauling Junk® and/or College Hunks Moving® businesses, since Trash Butler provides limited valet trash pickup services and does not provide junk removal or moving services. Trash Butler does not currently offer franchises and has no present plans to do so.

Service Vehicle Roll-out Schedule

You must purchase or lease the service vehicles (i.e., junk removal trucks and/or moving trucks) required by us to be used in the operation of the Franchised Business. We anticipate that each franchisee will add Service Vehicles to better service the Franchised Business and its clients. However, you must adhere to the following vehicle roll-out schedule and may not add additional service vehicles, or dispose of existing service vehicles, without our prior consent, which we will not unreasonably withhold.

(1) You must commence operations of the Franchised Business with one service vehicle for each service provided (i.e., junk removal and/or moving). For example, if you purchase the College Hunks Hauling Junk® brand only, then you must start operating with one

junk truck. If you purchase the College Hunks Hauling Junk® and the College Hunks Moving® brands, then you must commence operations with one junk truck and one moving truck.

(2) You must add a second service vehicle for each service provided (i.e., junk removal and/or moving) when the Franchised Business achieves Gross Sales of $15,000 or more for such service (i.e., junk removal or moving) in any given month. You must then add an additional service vehicle whenever the average Gross Sales per service vehicle equals $15,000 or more in any given month, for such service.

(3) Notwithstanding the above, you must have at least one service vehicle in operation for each service provided (i.e., junk removal and/or moving) per Zone no later than the commencement of your third year of operations, regardless of the level of Gross Sales. If you fail to do so, then you will automatically forfeit your rights to any Zone(s) for which you do not have a junk truck and/or moving truck, as applicable, in operation.

(4) You may add additional service vehicles to better serve your clients, with our advance written consent, which we will not unreasonably withhold. You must provide any information that we request to assist us in making our determination.

(5) You may be required to add additional service vehicles as a condition of purchasing additional Zone(s) during the term of your Franchise Agreement, as determined by us. We may also require you to add additional service vehicles as a condition to the grant of a renewal Franchise Agreement upon expiration of your existing Franchise Agreement.

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. Your failure to meet these service vehicle roll-out requirements constitutes a material default under the Franchise Agreement. New roll-out requirements will be set when you renew your Franchise Agreement. Similarly, new roll- out requirements will be set when adding Zone(s) mid-term.

National and Regional Accounts

We may develop a National or Regional Accounts program ("**National Accounts Program**") for the benefit of all Franchised Businesses. A "National or Regional Account" means any client that has employees or offices in two or more locations and in more than one 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 located in another franchisee's designated territory. Under the National Accounts Program, we and our affiliates 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 Accounts. If the National or Regional Account contracts directly with us, then you will serve as subcontractor. You must use your best efforts to perform services for National or Regional Accounts located in your Designated Territory on the terms and conditions specified by us 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.

If we develop a National Account Program, you must participate in it if it is possible to do so in your Designated Territory. However, 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 our affiliate or any other franchisee designated by us may provide services for that National or Regional Account in your Designated Territory. In addition, we or our affiliate or any other franchisee designated by us, may perform services for any National or Regional Account located in your Designated Territory for whom you have declined to provide services for any reason. Neither we, nor our affiliates or any of our franchisees, will be liable or obligated to pay you any compensation for doing so and neither we, nor our affiliates or any of our franchisees, will be considered in breach of any provision of your franchise 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 our performance of services for the National or Regional Account in your Designated Territory.

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 Account agreements. 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, the National or Regional Account, or any third party designated by us, without any deduction, and must also endorse any checks payable to the entity which we designate. When centralized billing is required by a National or Regional Account, we will deduct the amount of 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 Accounts Program, you must not charge greater fees for services and products which we specify as the maximum for such National or Regional Account. We may establish discounts, commissions, price structures (including maximum charges for products and services), and performance and maintenance standards for National or Regional Accounts. We will not compensate you for soliciting or accepting orders from inside your Designated Territory.

Due to the need to ensure adherence to the System standards in performing services for National or Regional Accounts, you will not be eligible to participate in the National Accounts Program unless you are in full compliance with your Franchise Agreement and the Operations Manual.

Leased Zip Codes

You and we may agree that you be permitted to service clients in zip code(s) (the "**Leased Zip Codes**") outside of the Designated Territory, provided such clients are not located in another franchisee's designated territory. You must pay a monthly leasing fee of $50 for Leased Zip Codes (the "**Temp Zone Leasing Fee**"). We may terminate your right to service clients in the Leased Zip Codes upon 30-days written notice for any reason. You may stop providing services in the Leased Zip Codes upon 30-days written notice for any reason. Your services in the Leased Zip Codes must be in full compliance with the terms and conditions of your Franchise Agreement and your operations in your Designated Territory (including the scope of services offered, pricing and estimating tools and criteria). For all your operations in the Leased Zip Codes, if we determine that it is necessary to protect our brands standards and relationships with neighboring franchisees, we may require that you adhere to certain pricing levels for your service offerings.

BuyBack 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 buyback provision does not apply if your Franchise Agreement is terminated (due to your failure to complete initial training or other default) or if we choose to not renew your Franchise Agreement.

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®," and "The Junk Hunk®" (our company mascot).

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
The Junk Hunk (service mark)	2/12/2008	3,382,970	Principal
College Hunks Moving	7/12/2011	3,993,081	Principal
Hunk Squad	9/25/2012	4,214,580	Principal

Mark	Registration Date	Registration Number	Register
1-800-Junk-USA	11/29/2011	4,063,075	Principal
College Hunks	02/23/2016	4,904,899	Principal
Snap Storage	07/4/2017	5,234,689	Principal
Snap Moving	4/18/2017	5,184,619	Principal
Heroic Home Services	9/22/2015	4,818,300	Principal
Heroic Movers	10/22/2013	4,421,297	Principal
Trash Butler	12/03/2013	4,442,862	Principal

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 ownership, licensing or use.

F&S owns the Marks listed in Item 13 of this Disclosure Document and has licensed them to us, including the rights to sublicense the Marks to our franchisees.

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 any patents, proprietary, and confidential information. We are not obligated to take any action but will respond to this information as we think appropriate. We have the sole right to direct and control any administrative proceeding or litigation involving any patents, the proprietary and confidential information. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of any patents, the proprietary and confidential information. We may defend you against any third-party claim, suit or demand arising out of your use of any patents, the proprietary and confidential information. If we, in our sole discretion, determine that you have used any patents, the proprietary and confidential information 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 any patents, the proprietary and confidential information 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 any patents, the proprietary and confidential information, 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 any patents, the proprietary and confidential information 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 any patents, the proprietary and confidential information in this state or elsewhere.

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 entire term of the Franchise Agreement, one of your owners must be designated as your "Managing Owner," responsible personally for devoting his or her full time and best efforts to the supervision and operation of the Franchised Business and to whom we may give, and from whom we may receive, direction. You must identify your Managing Owner before you sign the Franchise Agreement. The Managing Owner must complete our initial training program (see Item 11) and maintain at least a 51% ownership interest in the Franchised Business. If the Managing Owner transfers his or her ownership interest in you (with our approval and subject to the transfer provisions of the Franchise Agreement) during the franchise term, you must designate a new Managing Owner (whom we must approve) and have that new Managing Owner attend and satisfactorily complete our initial training program within the timeframe we specify. Your Franchised Business must at all times be under the direct supervision of your Managing Owner or an approved manager who has successfully completed training. The Managing Owner and/or the manager must devote sufficient time and attention to perform their duties, including a minimum of 30 hours per week of their physical presence to oversee and actively supervise the operation of the Franchised Business during operating hours.

We recommend, but do not require, that you (or your Managing Owner) actively and directly supervise the day-to-day operations of the Franchised Business. If your approved manager will be responsible for supervising the day-to-day operations of the Franchised Business, we may, in our sole discretion, require him or her to have at least a 10% ownership interest in the Franchised Business. If the approved manager is terminated, leaves your employ or otherwise fails to devote his or her full time and best efforts to the management and operation of the Franchised Business, you must, within 30 days, hire a new manager who must successfully complete the initial training program within the timeframe we specify and satisfy our then-current criteria for management personnel. You, your owners and your managers may not engage in any other business activities that would compete with the Franchised Business, adversely affect the Franchised Business, or conflict with your or their obligations under the Franchise Agreement.

Your employees are under your day-to-day control in implementing and maintaining our system standards and specifications in the operation of the Franchised Business. We do not control the forms of employment agreements you use with your employees and are not responsible for your labor relations or employment practices. You have sole responsibility and authority for your labor relations and employment practices, including, among other things, employee hiring, promotion, disciplinary action, termination, scheduling, rates of pay, other benefits, work assigned, and working conditions. You must communicate clearly with your employees in any employment agreements, human resource manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of College Hunks Hauling Junk® and College Hunks Moving® businesses, are not their employer and do not engage in any employer-type activities (including those described above) for which only you are responsible.

We may require your manager and other key employees to agree in writing to preserve any confidential information to which they have access and not to compete with the College Hunks Hauling Junk® and College Hunks Moving® system while employed by you and for 2 years after their employment ends. A form of Employee Non-Competition and Non-Disclosure Agreement is attached as Exhibit "B" to the Franchise Agreement. We also have the right to require you to obtain covenants against the use and disclosure of any confidential information and covenants not to compete from your owners and personnel.

Each of your owners holding more than 10% of the legal or beneficial ownership interests in the business and/or who are active in the business must personally guarantee your obligations to us under the Franchise Agreement and related agreements. These guarantees will be substantially in the form of the Principal Owner's Guaranty attached as Exhibit "D" to the Franchise Agreement. You must also complete and deliver to us a Principal Owner's Statement, in the form attached as Exhibit "I" to the Franchise Agreement, which describes all of your owners and their interests in you.

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 First Contact Sales & Loyalty Center; you must offer only products and services that we authorize; you must offer all goods and services that we designate as required for College Hunks Hauling Junk® and/or College Hunks Moving® businesses; you may not change our standards and specifications without our prior written consent; and you must stop selling and offering for sale any products and services which we may, in our discretion, disapprove in writing at any time. We have the right to change the types of authorized products and 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 First Contact Sales & Loyalty Center, you may not perform the requested services until you provide all applicable information to the First Contact Sales & Loyalty Center.

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.

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 may not sell any competing goods or services, and you may not offer conflicting services, such as free pick-ups, or other products or services that we currently offer or may offer in the future, such as re-usable moving boxes, moving or storage containers, or storage services.

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, and/or waste management services.

You may not directly solicit or service clients located outside of your Designated Territory.

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	10 years
(b) Renewal or extension of the term	Section 4.2	Additional 10-year term. To "renew," you must sign our then- current form of Franchise Agreement

Provision	Article in Franchise or Other Agreement	Summary
		and satisfy other renewal conditions. The fees and other conditions for any later granting of subsequent renewals will be governed by the form of renewal franchise agreement that you sign.
(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.
(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
(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

Provision	Article in Franchise or Other Agreement	Summary
		failure to comply with a 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, monetary defaults.
(h) “Cause” defined - non-curable defaults	Section 17.2 / Section 5.5	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. Franchisor may terminate this Agreement immediately upon notice: (a) at any time that Franchisee has more than 3 open customer complaints that have not been resolved within 10 days; and/or (b) if Franchisee has multiple negative online reviews, including, but not limited to, Angie’s List, Yelp, BBB, Listen 360, Google Reviews that have not been resolved to our satisfaction.
(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

Provision	Article in Franchise or Other Agreement	Summary
		ownership or control interests in the Franchised Business.
(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	Upon expiration or termination, we can buy your Franchised Business. We can also purchase your Franchised Business at any time after your 60th 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, and no disparaging or derogatory comments about the Franchisor or its affiliates for two years from the expiration, termination or transfer of the Franchise Agreement. The non-competition covenant is not applicable to a conversion franchise
(s) Modification of the agreement	Sections 21.1, and 21.12	Must be in writing by both parties
(t) Integration/merger clause	Section 21.14	Only the terms of the Franchise Agreement are binding (subject to federal law). Any representations or promises outside of the Disclosure

Provision	Article in Franchise or Other Agreement	Summary
		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.
(u) Dispute resolution by arbitration or mediation	Section 21.6	Except for certain claims, all disputes must be mediated and arbitrated within 20 miles of our headquarters.
(v) Choice of forum	Section 21.8	Florida, subject to state law
(w) Choice of law	Section 21.7	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.

HISTORICAL FINANCIAL PERFORMANCE INFORMATION

The following charts provide information regarding the annual gross sales, gross profit, profit margin, EBITDA, and certain expense and annual performance metrics for franchised outlets and outlets owned by our affiliates. These businesses (both franchised and affiliate-owned) provide substantially the same products and services as the Franchised Business offered in this Disclosure Document. Likewise, they receive substantially the same services as those we provide for the Franchised Business offered in this Disclosure Document, except our affiliates receive centralized accounting, financial and management services.

The charts below present information for only those outlets that responded to a survey or are a part of our bookkeeping program and were in operation for at least 12 full months as of the end of the applicable reporting period. This includes 51 franchised and 2 affiliate-owned outlets in 2017 (representing 53% (53/ 100) of all outlets in existence at the end of 2017). Note that 19 of these 100 locations were not surveyed because they were open less than 12 months in 2017. Therefore, the information includes 65% (53/81) of all outlets that were open a full 12 months in 2017.

Our affiliate CHHJ, LLC owns and operates the College Hunks Moving® and College Hunks Hauling Junk® business located in Rockville, Maryland ("**DC Corporate Location**"), which has been in operation since 2005 and currently provides junk removal and moving services in Washington, DC, and Maryland (a total of 5 Zones). Our affiliate Mansari LLC owns and operates the College Hunks Moving® and College Hunks Hauling Junk® business located in Tampa, Florida ("**Tampa Corporate Location**"), which has been in operation since 2008 and provides junk removal and moving services in Tampa, Florida (a total of 2 Zones). These locations operate under a franchise agreement with us and pay royalties, First Contact Sales & Loyalty Center fees, and Brand Development Fees on the same basis as our franchisees. These operations are both "absentee owner" businesses, meaning they both have full-time general managers operating the business.

Unless otherwise specified, "Gross Sales" or "Gross Revenue" means the actual gross revenues billed to clients or what would have been billed to clients if payment had been collected for products and services, plus any other revenue derived from the operation of the business. The Gross Sales/Gross Revenue information is based on the same Gross Sales used to calculate royalties and other fees under the Franchise Agreement. The franchised outlets and affiliate-owned outlets report gross receipts information to us based upon a uniform reporting system. However, none of the information supplied to us has been audited.

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ANNUAL GROSS SALES, GROSS PROFIT AND PROFIT MARGIN FOR AFFILIATE LOCATIONS FOR 2015, 2016 AND 2017

	DC Corporate Location[1] (Actual)			Tampa Corporate Location[2] (Actual)		
Year	**2015**	**2016**	**2017**	**2015**	**2016**	**2017**
Annual Gross Sales	$2,634,464	$2,818,699	$3,349,840	$1,307,039	$1,175,791	$1,770,900
Disposal Costs (% of Revenue)	5%	4%	4%	1%	2%	2%
Truck Labor Costs (% of Revenue)	28%	26%	28%	28%	28%	30%
Truck Fuel Costs (% of Revenue)	3%	3%	3%	3%	2%	3%
Truck Maintenance Costs (% of Revenue)	1%	3%	3%	2%	2%	1%
Credit Card Fees (% of Revenue)	2.00%	1.57%	2.12%	1.68%	1.74%	2.04%
Moving Supply Cost (% of Revenue)	1%	1%	1%	1%	1%	2%
Total Cost of Service	$1,326,551	$1,345,748	$1,692,205	$646,630	$590,759	$944,108
Total Gross Profit	$1,307,913	$1,472,951	$1,657,635	$660,409	$585,032	$826,792
Gross Profit as % of Revenue[3]	50%	52%	49%	51%	50%	47%

NOTES:

(1) The DC Corporate Location provides both junk removal and moving services. It currently operates 5 Zones in Washington DC and Maryland.

(2) The Tampa Corporate Location provides both junk removal and moving services. It currently operates 2 Zones in Tampa Florida.

(3) Gross Revenue less disposal costs, truck labor costs, truck fuel costs, truck maintenance costs, credit card fees, moving supply cost, royalty fees, First Contact Sales & Loyalty Center fees, and Brand Development Fees) (does not include fixed costs, such as rent, marketing, insurance, office staff or other expense)

AVERAGE ANNUAL GROSS SALES, GROSS PROFIT AND PROFIT MARGIN FOR FRANCHISED LOCATIONS 2015, 2016 AND 2017

Year	**2015**	**2016**	**2017**	**2017 Bottom 25% Franchisees**	**2017 Top 25% Franchisees**
# in Group	28 (4)	40	51	13	13
Average Annual Gross Sales	$730,553 (6)	$784,331	$946,319	$349,618	$1,957,866
Median Annual Gross Sales	572127	$546,322	$700,651	$381,998	$1,872,924
Average Royalty Costs (% of Revenue)	7%	7%	7%	7%	7%
Average Disposal Costs (% of Revenue)	4%	4%	3%	4%	3%
Average Truck Labor Costs (% of Revenue)	25%	27%	30%	31%	30%
Average Truck Fuel Costs (% of Revenue)	4%	3%	4%	4%	3%
Average Truck Maintenance Costs (% of Revenue)	3%	2%	2%	1%	2%
Average Credit Card Fees (% of Revenue)	1.6%	1.6%	1.8%	1.8%	1.9%
Moving Supply Cost (% of Revenue)	1.3%	1.4%	1.3%	1.3%	1.1%
Average Total Cost of Service	$373,547	$413,520	$496,350	$207,872	$1,061,019
Average Total Gross Profit	$357,006 (8)	$370,811	$449,970	$141,746	$896,847
Median Total Gross Profit	267002	$258,467	$300,410	$165,570	$861,403
*Average Gross Profit as % of Revenue	48.86% (10)	47%	48%	41%	46%
*Median Gross Profit Percentage	47%	47%	46%	41%	46%

NOTES:

These figures show the number and percentage of outlets that achieved or surpassed the stated average results in that category.

The following table shows the number and percentage of outlets that fell below the stated average results in that category.

*Gross Revenue less disposal costs, truck labor costs, truck fuel costs, truck maintenance costs, credit card fees, moving supply cost, royalty fees, First Contact Sales & Loyalty Center fees, and Brand Development fees (does not include fixed costs, such as rent, marketing, insurance, office staff or other expense).

2017 ACTUAL GROSS REVENUE, GROSS PROFIT, UNIT FIXED EXPENSES AND EBITDA FOR AFFILIATE LOCATIONS

	2017 DC Corporate Location (Actual)	2017 Tampa Corporate Location (Actual)
Gross Revenue	$3,349,840	$1,770,900
Total Gross Profit	$1,657,635	$826,792
Gross Profit as % of Revenue	49%	47%
Marketing Expense (local advertising)	$399,590	$218,400
Office Staff Costs	$247,500	$140,290
Rent and Utilities Expense	$106,170	$19,100
Other Expenses (insurance, etc.)	$676,180	$354,710
Total General & Administrative Expenses (marketing expense, office staff costs, rent & utilities expense, and other expenses including insurance, etc.)	$1,429,440	$732,500
EBITDA (earnings before interest, taxes, depreciation and amortization) (does not include truck payments, owner compensation or other discretionary expenses)	$442,907	$195,859
Net Profit as % of Revenue (before taxes, interest, depreciation and amortization, and owners' compensation)	13%	11%

2017 AVERAGE GROSS REVENUE, GROSS PROFIT, UNIT FIXED EXPENSES AND EBITDA FOR FRANCHISED LOCATIONS

	2017 Franchises (Average)	2017 Top 25% Franchisees (Average)
Gross Revenue	$946,319	$1,957,866
Total Gross Profit	$449,970	$896,847
Gross Profit as % of Revenue	48%	46%
Marketing Expense (local advertising)	$85,202	$163,958
Office Staff Costs	$77,815	$149,902
Rent and Utilities Expense	$32,572	$51,913
Other Expenses (insurance, etc.)	$93,634	$119,652
Total General & Administrative Expenses (marketing expense, office staff costs, rent & utilities expense, and other expenses including insurance, etc.)	$289,223	$485,425
EBITDA (earnings before interest, taxes, depreciation and amortization) (does not include truck payments, owner compensation or other discretionary expenses)	$160,746	$411,422
Net Profit as % of Revenue (before taxes, interest, depreciation and amortization, and owners' compensation)	17%	21%

NOTES:

(1) Information presented based on 51 franchised outlets in operation for a full 12 months as of December 31, 2017 and includes franchised outlets offering only junk removal and outlets offering junk removal and moving services.

2017 AVERAGE ANNUAL PERFORMANCE METRICS FOR JUNK ONLY VS. JUNK & MOVING FRANCHISES

	All Franchised Locations (Average)	Junk Removal Only (Average)	Junk Removal and Moving (Average)	DC Corporate Location (Actual)	Tampa Corporate Location (Actual)
# in Group	51	4	47	1	1
Annual Gross Revenues	$946,319	$677,050	$969,236	$3,349,840	$1,770,900
Annual Junk Revenues	$413,408	$480,024	$407,738	$2,210,230	$475,380
Annual Moving Revenues	$523,945	$150,000	$523,945	$1,082,570	$1,235,440
Annual Other Revenue (labor, scrap, supplies, valuation)	$32,036	$47,027	$30,760	$57,040	$60,080
Average Job Size	$526	$386	$538	$509	$462
Average Job Size – Junk Removal	$350	$354	$350	$441	$312
Average Job Size – Moving	$748	$400	$777	$804	$757
Average Number of Completed Jobs per day (assumes 300 operating days in 2017) (calculated by dividing Gross Revenue by Average Job Size, divided by 300)	6.0	5.8	6.0	21.9	12.8
Average Number of Unique Leads received per day (assumes 300 operating days in 2017)	24	18	24	63	24
Lead Conversion to Sale %	25%	32%	25%	35%	53%
Average Completion %	72%	68%	72%	71%	68%
Average Cost per Lead based on Average Marketing Expense	$11.86	$11.17	$11.90	$21.16	$30.39
Average Marketing Expense	$85,202	$60,927	$87,268	$399,590	$218,400
Average Leads	7,184	5,456	7,331	18,885	7,187

NOTES:

The information presented is based on 51 franchised outlets that were in operation for a full 12 months as of December 31, 2017. As of the date of this disclosure document, there are no franchised outlets that provided only moving services. The average Designated Territory operated by franchisees is comprised of two standard Zones.

AVERAGE ANNUAL GROSS SALES BASED ON NUMBER OF YEARS IN OPERATION AS OF DECEMBER 31, 2017

	1st Full Calendar Year	2nd Full Calendar Year	3rd Full Calendar Year	4th Full Calendar Year	>4th Full Calendar Year
# in Group	19.0	9.0	4.0	4.0	15.0
Average Annual Gross Sales	$551,370	$949,360	$966,682	$767,557	$1,487,004

2017 RAMP UP DATA FOR NEW LOCATIONS

The following table represents the monthly income of franchise locations in operation for less than 24 months as of December 31, 2017[1].

Location	1st Month	6th Month	12th	20th
Average	**$** 18,554	**$** 33,034	**$** 48,198	**$** 62,286
Median	$ 17,506	$ 30,752	$ 43,361	$ 63,445

NOTES:
[1]As of December 31, 2017, there were 43 franchise locations in operation for less than 24 months.

TRUCKONOMICS - JUNK REMOVAL

The following table represents the monthly income and costs per truck for a Franchised Business that has one junk removal truck, assuming the truck performs 4 jobs per day (operating 10 hours per day), for 6 days each week.

Monthly Sales per Truck - Junk		
Jobs Per Day	4	Assuming truck performs 4 jobs per day
Average Revenue Per Job	$349	Not including recycling income
Work Days Per Month	26	6 days per week (Mon-Sat)
Monthly Gross Sales	$36,296	
Monthly Cost per Truck-Payroll Related (6 days per week operating 10 hours per day)*		
Driver Lead	$3,380	$13.00 per hour at 3,120 hours per year (6*10*52) (assumes bonus incl.)
Wingman	$2,860	$11.00 per hour at 3,120 hour per year (6*10*52)
FICA/FUTA/SUTA	$665	10.65% (7.65% + 3%) of personnel costs (driver + navigator)
Workers Comp	$936	15% of personnel costs (driver + navigator)
Monthly Costs- Fuel per Truck and Other Variable Costs		
Fuel & Other Variable Truck Costs	$1,815	5% of monthly Gross Junk Sales (Tracking, Fuel, Parking, Tolls)
Disposal/Transfer Fees	$2,904	7% of monthly Gross Junk Sales
Vehicle Insurance	$500	Per truck - decreases as additional trucks added
Truck Payment	$950	Assuming truck is financed/leased
Local Advertising	$3,630	10% of Sales
Truck Maintenance	$300	Oil changes, tires, tarp replacement, etc.
Royalty	$2,541	7% of monthly Gross Sales
First Contact Sales & Loyalty Center Fund	$2,210	Assuming $945 ($799 Junk Only) flat fee plus call center bookings needed for 4 jobs day ($19 per booking)
National Brand Development Fund	$726	2% of monthly Gross Sales
Total Monthly Costs**	$23,416	
Plus Recycling Income	$725.92	Approximately 2% of monthly Gross Sales
Net Operating Profit Per Truck**	**$13,606**	

* Your payroll costs will vary based on the number of jobs performed and whether your employees work full or part-time.

** The above income and expense figures relate to income from junk removal truck operations, directly associated truck costs, along with Royalties, Brand Development Fees, and First Contact Sales & Loyalty Center Fees. The data does not include the operating expenses that you may incur in the operation of the Franchised Business, including, for example, rent, insurance and utilities.

Material Assumptions: The average revenue per job is based upon the system-wide average for the 2017 fiscal year of $349 per job. The "jobs per day" metric assumes that the Franchised Business operates a single standard Zone and utilizes only one junk truck in connection with the operation of the Franchised Business. The Workers Compensation Rate is established by the state and will vary depending upon the state in which you operate your Franchised Business. Otherwise, the data presented is based upon historical information related to the operation of franchised College Hunks Moving® and College Hunks Hauling Junk® businesses.

TRUCKONOMICS - MOVING

The following table represents the monthly income and costs per truck for a Franchised Business that has one moving truck, assuming the truck performs 1.5 jobs per day (operating 10 hours per day), for 6 days each week. These figures are only estimates of what we think you may earn.

Monthly Sales per Truck - Move		
Jobs Per Day	1.5	Assuming truck performs 1.5 jobs per day
Average Revenue Per Job	$745	Not including up-sells (such as boxes sales)
Work Days Per Month	26	6 days per week (Mon-Sat)
Monthly Gross Sales	$29,055	
Monthly Cost per Truck-Payroll Related (6 days per week operating 10 hours per day)*		
Driver Lead	$3,900	$15.00 per hour at 3,120 hours per year (6*10*52) (assumes bonus incl.)
Wingman	$3,120	$12.00 per hour at 3,120 hours per year (6*10*52) (assumes bonus incl.)
FICA/FUTA	$748	10.65% (7.65% + 3%) of personnel costs (driver + navigator)
Workers Comp	$1,123	16% of personnel costs (driver + navigator)
Monthly Costs- Fuel per Truck and Other Variable Costs		
Fuel & Other Variable Truck Costs	$1,453	5% of monthly Gross Sales
Supplies/Damages	$581	2% of monthly Gross Sales
Vehicle Insurance	$550	Per truck - decreases as additional trucks added
Truck Payment	$1,100	Assuming truck is financed/leased
Local Advertising	$2,906	10% of Sales
Truck Maintenance	$400	Oil changes, tires, tarp replacement, etc.
Royalty	$2,034	7% of monthly Gross Sales
First Contact Sales & Loyalty Center Fee	$1,474	Assuming $945 flat fee plus call center bookings needed for 4 jobs day ($19 per booking)
National Brand Development Fee	$581	2% of monthly Gross Sales
Total Monthly Costs**	$19,969	
Plus Box and Other Sales Income	$1,162	Approximately 4% of monthly Gross Sales
Net Operating Profit Per Truck**	**$10,248**	

* Your payroll costs will vary based on the number of jobs performed and whether your employees work full or part-time.

** The above income and expense figures relate to income from junk removal truck operations, directly associated truck costs, along with Royalties, Brand Development Fees, and First Contact Sales & Loyalty Center Fees. The data does not include the operating expenses that you may incur in the operation of the Franchised Business, including, for example, rent, insurance and utilities.

Material Assumptions: The average revenue per job is based upon the system-wide average for the 2017 fiscal year of $745 per job. The "jobs per day" metric assumes that the Franchised Business operates a single standard Zone and utilizes only one junk truck in connection with the operation of the Franchised Business. The Workers Compensation Rate is established by the state and will vary depending upon the state in which you operate your Franchised Business. Otherwise, the data presented is based upon historical information related to the operation of franchised College Hunks Moving® and College Hunks Hauling Junk® businesses.

Written substantiation for the financial performance representations described above will be made available to you upon reasonable request. Please carefully read all of the information in these financial performance representations, and the notes following the tables, in conjunction with your review of the historical data.

Some College Hunks Hauling Junk (with or without College Hunks Moving) businesses have earned these amounts. Your individual results may differ. There is no assurance you will earn as much.

Results may vary among College Hunks Hauling Junk (with or without College Hunks Moving) businesses depending upon prevailing economic or market area conditions, demographics, geographic location, interest rates, your capitalization level, the amount and terms of any financing that you may secure, the property values and lease rates, your business and management skills, staff strengths and weaknesses, the cost and effectiveness of your marketing activities and weather/seasonal factors.

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.

Other than the preceding financial performance representation, we do not make any financial performance representations. 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 Nick Friedman at 4411 West Tampa Bay Boulevard, Tampa, Florida 33614 and (800) 586-5872, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years Ending December 31, 2015, 2016 and 2017

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2015	45	63	+18
	2016	63	82	+19
	2017	82	97	+15
Company-Owned*	2015	3	3	0
	2016	3	3	0
	2017	3	2	-1
Total Outlets	2015	**48**	**66**	**+18**
	2016	**66**	**85**	**+19**
	2017	**85**	**99**	**+14**

* 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, 2015, 2016 and 2017

State	Year	Number of Transfers
California	2015	1
	2016	0
	2017	0
Colorado	2015	0
	2016	0
	2017	1
Florida	2015	0
	2016	1
	2017	0
Indiana	2015	0
	2016	0
	2017	1
Ohio	2015	1
	2016	0
	2017	0
Oklahoma	2015	1
	2016	0
	2017	0

Texas	2015	0
	2016	0
	2017	1
Washington	2015	0
	2016	0
	2017	1
Total	**2015**	**3**
	2016	**1**
	2017	**4**

Table No. 3
Status of Franchised Outlets
For Years Ending December 31, 2015, 2016 and 2017

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
Alabama	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	1	0	0	0	0	2
Arizona	2015	1	1	0	0	0	0	2
	2016	2	1	0	0	0	1	2
	2017	2	0	0	1	0	0	1
Arkansas	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
California	2015	4	0	0	0	0	0	4
	2016	4	1	0	1	0	0	4
	2017	4	1	0	0	0	0	5
Colorado	2015	1	0	0	0	0	0	1
	2016	1	2	0	0	0	0	3
	2017	3	0	0	0	0	0	3
Connecticut	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Delaware	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Florida	2015	4	6	0	0	0	0	10
	2016	10	2	0	0	0	2	10
	2017	10	0	0	0	0	1	9
Georgia	2015	1	0	0	0	0	0	1
	2016	1	2	0	0	0	0	3
	2017	3	2	0	0	0	0	5
Idaho	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Illinois	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
	2017	2	1	0	0	0	0	3
Indiana	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	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
Iowa	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Kansas	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Kentucky	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Maryland	2015	1	0	0	0	0	0	1
	2016	1	2	0	0	0	0	3
	2017	3	1	0	0	0	0	4
Massachusetts	2015	2	0	0	0	0	0	2
	2016	2	0	0	1	0	0	1
	2017	1	0	0	0	0	0	1
Michigan	2015	2	1	0	0	0	0	3
	2016	3	1	0	0	0	0	4
	2017	4	2	0	0	0	1	5
Minnesota	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Mississippi	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Missouri	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Nebraska	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Nevada	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	1	0
	2017	0	0	0	0	0	0	0
New Jersey	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	1	0	0	0	0	3
New York	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2

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
North Carolina	2015	2	1	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
Ohio	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	1	3
	2017	3	1	0	0	0	0	4
Oklahoma	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Oregon	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	1	0	0	0	0	2
Pennsylvania	2015	2	1	0	0	0	0	3
	2016	3	2	0	0	0	0	5
	2017	5	0	0	0	0	0	5
South Carolina	2015	0	1	0	0	0	0	1
	2016	1	1	0	0	0	0	2
	2017	2	2	0	0	0	0	4
Tennessee	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Texas	2015	3	3	0	0	0	0	6
	2016	6	4	0	0	0	1	9
	2017	9	1	0	0	0	0	10
Utah	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
Virginia	2015	3	0	0	0	0	0	3
	2016	3	3	0	0	0	0	6
	2017	6	0	0	0	0	1	5
Washington	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Wisconsin	2015	0	0	0	0	0	0	0
	2016	0	2	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Total	**2015**	**45**	**18**	**0**	**0**	**0**	**0**	**63**
	2016	**63**	**27**	**0**	**2**	**0**	**6**	**82**
	2017	**82**	**19**	**0**	**1**	**0**	**3**	**97**

Table No. 4
Status of Company-Owned and Affiliate-Owned Outlets
For Years Ending December 31, 2015, 2016 and 2017*

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
Florida	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
Maryland+	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
Texas	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0	0	1	0	0
Total	**2015**	**3**	**0**	**0**	**0**	**0**	**3**
	2016	**3**	**0**	**0**	**0**	**0**	**3**
	2017	**3**	**0**	**0**	**1**	**0**	**2**

* The outlets in the above chart are owned and operated by our affiliates.
+ Also operates in territories in Virginia and Washington, D.C.

Table No. 5
Projected Openings as of December 31, 2017

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (2018)	Projected New Company-Owned Outlets in the Next Fiscal Year (2018)
Alabama	0	0	0
Arizona	0	1	0
Arkansas	0	0	0
California	0	1	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	0	0
Florida	1	1	0
Georgia	0	1	0
Idaho	0	0	0
Iowa	0	0	0
Illinois	1	1	0
Indiana	0	0	0
Kansas	0	0	0
Kentucky	0	0	0

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (2018)	Projected New Company-Owned Outlets in the Next Fiscal Year (2018)
Maryland	0	1	0
Massachusetts	0	1	0
Michigan	0	1	0
Minnesota	0	0	0
Minnesota	0	1	0
Nevada	0	0	0
Nebraska	0	0	0
New Jersey	0	1	0
New York	0	0	0
North Carolina	0	1	0
North Dakota	1	1	0
Ohio	0	0	0
Oregon	0	1	0
Pennsylvania	0	1	0
Rhode Island	0	0	0
South Carolina	0	1	0
Tennessee	0	1	0
Texas	0	0	0
Utah	0	0	0
Virginia	0	1	0
Washington	1	0	0
Wisconsin	0	1	0
Total	**4**	**18**	**0**

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

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

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of the 4 franchisees who had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our 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 “E” to this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

In some instances, current and former franchisees sign provisions restricting their ability to speak opening about their experience with College Hunks Hauling Junk® and College Hunks Moving®. You may wish to speak with current and former franchisees but be aware that not all such franchises will be able to communicate with you. During the last 3 fiscal years, one franchisee signed a re-acquisition agreement that included a confidentiality clause.

There are no trademark-specific franchisee organizations created, sponsored or endorsed by us, and no independent franchisee organizations have asked to be included in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit "G" are our audited financial statements for the fiscal years ended December 31, 2017, 2016, and 2015.

ITEM 22
CONTRACTS

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

State Specific Addenda (with Form of General Release for Maryland)	Exhibit B
Franchise Agreement ("**FA**") with Exhibits	Exhibit C
Location of Franchise and Zones Encompassing Designated Territory	*Exhibit A to FA*
Employee Non-Competition and Non-Disclosure Agreement	*Exhibit B to FA*
Conditional Assignment of Telephone Numbers and Listings and Internet Addresses	*Exhibit C to FA*
Principal Owner's Guaranty	*Exhibit D to FA*
Conditional Assignment of Service Vehicle Lease	*Exhibit E to FA*
Authorization Agreement for Prearranged Payments (Direct Debits)	*Exhibit F to FA*
Transfer of Franchise to Corporation or Limited Liability Company	*Exhibit G to FA*
Principal Owner's Statement	*Exhibit H to FA*
Franchisee Disclosure Acknowledgment Statement	Exhibit H
Deposit Agreement	Exhibit I

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 ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013 (866) 275-2677	Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities Department of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Franchise Bureau Office of Attorney General 500 S. Second Street Springfield, Illinois 62706 (217) 782-4465	Franchise Bureau Office of Attorney General 500 S. Second Street Springfield, Illinois 62706
INDIANA	Indiana Secretary of State Securities Division 302 W. Washington St., Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204
MARYLAND	Office of Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360	Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division, Franchise Unit 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909
MINNESOTA	Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-4026	Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau Franchise Section 120 Broadway, 23rd Floor New York, New York 10271-0332 (212) 416-8236 (Phone) (212) 416-6042 (Fax)	Attn New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol – 5th Floor Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712	Securities Commissioner 600 East Boulevard Avenue State Capitol, Fifth Floor Dept. 414 Bismarck, North Dakota 58505-0510
RHODE ISLAND	Director, Securities Division State of Rhode Island Department of Business Regulation Building 69, First Floor John O Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9582	Department of Business Regulation Bldg 69, First Floor John O Pastore Center 1511 Pontiac Avenue Cranston, RI 02920
SOUTH DAKOTA	Department of Labor and Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823	Director, Department of Labor and Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre, South Dakota 57501
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051	Clerk, State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 1st Floor Richmond, Virginia 23219
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501
WISCONSIN	Franchise Registration Division of Securities Department of Financial Institutions 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-1064	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703

EXHIBIT B TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

EXHIBIT B

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

CALIFORNIA APPENDIX

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of California.

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.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement contains covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

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.

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.

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.

The Franchise Agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

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).

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.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

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

EXHIBIT B

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

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Hawaii.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFEREED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

EXHIBIT B
ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
DISCLOSURE DOCUMENT REQUIRED BY THE STATE
OF ILLINOIS

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Illinois.

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.

Illinois law governs the Franchise Agreement.

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.

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 the Franchise Agreement are amended accordingly.

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.

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.

Article 22 of the Franchise Agreement and Item 12 of the Disclosure Document is amended to comply with Section 20 of the Act which states that "it shall be a violation of this Act for a franchisor to refuse to renew a franchise of a franchised business located in this State without compensating the franchisee either by repurchase or by other means for the diminution in the value of the franchised business caused by the expiration of the franchise where: (a) the franchisee is barred by the franchise agreement (or by the refusal of the franchisor at least 6 months prior to the expiration date of the franchise to waive any portion of the franchise agreement which prohibits the franchisee) from continuing to conduct substantially the same business under another trademark, service mark, trade name or commercial symbol in the same area subsequent to the expiration of the franchise; or (b) the franchisee has not been sent notice of the franchisor's intent not to renew the franchise at least 6 months prior to the expiration date or any extension thereof of the franchise.

EXHIBIT B

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

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Maryland.

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.).

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.

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 "I" to the Disclosure Document, and the Franchise Agreement are amended to comply with this provision.

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.

<u>**EXHIBIT B**</u>

ADDENDUM TO DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
<u>**FOR THE STATE OF MINNESOTA**</u>

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Minnesota:

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:

> "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 Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

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:

> "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."

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:

> "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."

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:

> "Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

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 provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of New York.

The following information is added to the cover page of the Franchise Disclosure Document:

> INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2 or an affiliate offering franchises under the franchisor’s principal trademark:

(A) No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.

(B) No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

(C) No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise; antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; unfair or deceptive practices; or comparable allegations.

(D) No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. The following is added at the end of Item 4:

Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the Franchise 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 1 year after the officer or general partner of the Franchisor held this position in the company or partnership.

3. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

4. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

5. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate this agreement on any grounds available by law.

6. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor**":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

7. The following is added to the end of the "Summary" section of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

ADDENDUM TO THE
CHHJ FRANCHISING L.L.C.
NORTH DAKOTA DISCLOSURE DOCUMENT

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of North Dakota.

The Summary column of Item 17 paragraph (c) of this disclosure document is modified to read as follows:

> "Give us at least 90 days' notice of your intention to renew, sign our current form of franchise agreement and ancillary agreements, and sign a release (except for matters coming under the North Dakota Franchise Investment Law (the ND Law")."

The Summary column of Item 17 paragraph (r) of this disclosure document is modified by adding the following at the end of the sentence:

> "Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."

The Summary column of Item 17 paragraph (u) of this disclosure document is amended by adding the following at the end of the paragraph:

> "except that matters coming under the ND Law will be submitted to arbitration in a mutually agreeable location.
>
> The Summary column of Item 17 paragraph (v) of this disclosure document is amended to read as follows:
>
> Except for matters coming under the ND Law, litigation must be in Hillsborough County, Florida.

The Summary column of Item 17 paragraph (w) of this disclosure document is amended to read as follows:

> Except for matters coming under the ND Law, the law of Florida (subject to state law).

The Franchisee is not required to waive jury trial for any matters coming under ND Law.

EXHIBIT B

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

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in 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."

EXHIBIT B TO THE DISCLOSURE DOCUMENT

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

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State 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.

EXHIBIT B

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

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Washington:

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.

EXHIBIT C TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

CHHJ FRANCHISING L.L.C.

FRANCHISE AGREEMENT

____
FRANCHISEE

____
DATE OF AGREMENT

		Initials
☐	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	___/___
☐	Renewal Franchise	___/___
	State Specific Addenda	______

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CHHJ FRANCHISING L.L.C.

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**") is made and entered into this day of ___, 20__ (the "**Agreement Date**") 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**"). Franchisor and Franchisee are sometimes herein referred to individually as a "**party**" and collectively as the "**parties**."

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 Definitions

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 "**Business Entity**" means a corporation, limited liability company, general partnership, limited partnership, or other legal entity.

1.1.3 "**Commencement of Business**" means the date on which any revenue is received from, or any Service is provided to, customers of the Franchised Business, whichever occurs first.

1.1.4 "**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 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 Manual.

1.1.5 "**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.

1.1.6 "**First Contact Sales & Loyalty Center**" or "**SLC**" 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 ("**SLC Services**") and will refer to the Franchisor or its designated supplier of those SLC Services as applicable.

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

1.1.8 "**Initial Franchise Fee**" means the initial franchise fee to be paid by Franchisee to Franchisor in accordance with Section 8.1 of this Agreement.

1.1.9 "**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 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.

1.1.10 "**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 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.

1.1.11 "**Proprietary Properties**" means the Copyrights, Know How, Proprietary Marks and Software.

1.1.12 "**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 materials or hazardous waste.

1.1.13 "**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.

1.1.14 "**Software**" means the computer software (including all patches, modifications and updates and including proprietary software designated by Franchisor) that Franchisor develops, acquires, designates and/or makes accessible to Franchisee under this Agreement, including, without limitation, any software by which the Franchisee downloads and uploads information relevant to the Franchised Business.

1.1.15 "**Term**" means the Initial Term, any Renewal Term, and/or any extension of them.

1.1.16 "**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 300,000 and 400,000 persons, and a "small market" Zone will contain a population of between 5,000 and 299,999 persons. The Zones that comprise Franchisee's Designated Territory are set forth on Exhibit "A" attached hereto.

ARTICLE II
GRANT OF FRANCHISE AND LICENSE

2.1 Grant

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 the event that Franchisee purchases additional Zones or if Franchisee fails to meet the Minimum Annual Royalty requirement described in Section 8.2.4 below and Franchisor exercises its right to reduce Franchisee's Designated Territory in accordance with Section 8.2.5 below. Franchisor may condition any purchase of additional Zones by, or refuse to sell them to Franchisee for any reason it determines; including, without limitation, Franchisee's financial performance in its existing Zones; payment history; and compliance with this Agreement and Franchisor's standards.

2.1.2 Franchisee agrees to use the Proprietary Properties solely for the Franchised Business and for no other purpose, and only for the type of Franchised Business checked and initialed on the cover of this Agreement.

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 (v) 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 offer and sell, and grant rights to other franchise owners to offer and sell, any junk removal, moving and/or related products or services identical or similar to, or dissimilar from, those Franchisee's Franchised Business sells, outside of your Designated Territory, whether identified by the Proprietary Marks or other trademarks or service marks, through any distribution channels Franchisor deems best.

(c) to purchase or otherwise acquire the assets or controlling ownership of 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;

(d) 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 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

(e) 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 ("**National Accounts Program**") for the benefit of all Franchised Businesses. A "**National or Regional Account**" means any client or potential client that has employees or offices in 2 or more locations and in more than 1 Zone, or which qualifies for corporate pricing for commercial services, as determined by Franchisor in its sole discretion. The locations of some of the National or Regional Accounts may be in Franchisee's Designated Territory and they may have locations in other zones outside of Franchisee's Designated Territory. Accordingly, regardless of any contrary provision of this Agreement, the parties agree as follows:

(a) **Territorial Rights**: Franchisee agrees that Franchisor and its affiliates may solicit customers located in Franchisee's Designated Territory, whether or not Franchisee then currently provides services to them, in order to develop them as National or Regional Accounts. Franchisor and its affiliates may do so without violating any of Franchisee's territorial rights within the Designated Territory.

(b) **Best Efforts**: If Franchisor develops a National Accounts Program, Franchisee must sign and deliver to Franchisor its standard form of National Accounts Program Participation Agreement. Franchisee shall use its best efforts to perform services for National or Regional

Accounts located in its Designated Territory on the terms and conditions specified by Franchisor for each National or Regional Account. The terms and conditions may vary from National or Regional Account to National or Regional Account, depending on the situation and circumstances, and will be determined by Franchisor in its sole discretion. Franchisor may require Franchisee to coordinate its efforts with Franchisor, its affiliate, and/or other franchisees with respect to Regional or National Accounts.

(c) **Alternative Services**: 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 its affiliate or any other franchisee designated by Franchisor may provide services for that National or Regional Account in Franchisee's Designated Territory, with no compensation or liability to Franchisee. Franchisee also agrees that Franchisor, its affiliate, or any franchisee designated by Franchisor may perform services for any National or Regional Account located in Franchisee's Designated Territory for whom Franchise has declined to provide services. Neither Franchisor nor any of its affiliates or franchisees will be liable or obligated to pay Franchisee any compensation for doing so, and neither Franchisor nor any of its affiliates or franchisees will be considered in breach of any provision of this Agreement or any other agreement between the parties. Franchisee releases Franchisor, its affiliates, and such other franchisees from any liability or obligation to Franchisee for providing services to such National or Regional Accounts in accordance with the terms of this Agreement and any policies and procedures that Franchisor develops and implements from time to time for 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 Designated Territory.

(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 Account. 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 agrees to comply with any of the billing and/or collection procedures specified in Franchisor's various National or Regional Accounts agreements. 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 in connection with 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 must also endorse any checks payable to the entity which Franchisor designates. When centralized billing is required by a National or Regional Account, Franchisor will deduct the amount of the Continuing Royalty Fee and any other fees due to Franchisor and then remit the remaining balance to Franchisee on a semi-monthly basis. If Franchisor provides centralized billing and collection services, Franchisor will utilize commercially reasonable efforts to collect amounts due from customers; however, Franchisee understands that it is also responsible to assist in the collection efforts. Franchisor does not warrant or guarantee collection of any amounts due.

(e) **Pricing**: Franchisee may not charge greater fees for services and products which Franchisor specifies as the maximum pricing for such National or Regional Account. Franchisee acknowledges and agrees that Franchisor may set discounts, commissions, price structures (including maximum charges for products and services), and performance and maintenance standards for National Accounts.

(f) **Commission**: Franchisor may require Franchisee to pay a commission or other fee to Franchisor or its designee (the "**National Account Commission**"), in addition to the Continuing Royalty Fee, as a cost of securing National/Regional Accounts, servicing National/Regional Accounts, and/or administering the Regional Accounts Program. The amount of the National Account Commission will be determined by Franchisor and described in the applicable National or Regional Account agreement or the Manual.

ARTICLE IV
TERM AND RENEWAL

4.1 Term

The term of this Agreement shall be 10 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 10 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 this Agreement.

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, including, without limitation, a new Service Vehicle roll-out schedule, which may require Franchisee to acquire additional Service Vehicle(s); 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 Manual (as defined in Section 5.1.1 below); 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 $5,000.

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 180 days, but no more than 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 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 14 days but no more than 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 3 copies of said Franchise Agreement. Promptly upon receipt thereof Franchisee shall execute 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 1 fully executed copy of the renewal Franchise Agreement to Franchisee.

(g) If Franchisee fails to sign the Renewal Franchise Agreement on the date the Original Franchise Agreement expires or sooner, Franchisee shall be responsible to pay Franchisor $50 per day for every day the Renewal Franchise Agreement is not signed after the Original Franchise Agreement date has expired.

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. Franchisee is required to have a lease, sublease, ownership, or other document by which Franchisee has the right to occupy a premise to operate a Franchised Business out of throughout the duration of any Franchise Agreement with Franchisor. 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 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. For brand consistency and uniformity, Franchisor shall have the right to control all e-mail addresses used in the operation of the Franchised Business. Franchisor may, at its option, assign or designate the e-mail address(es) that Franchisee must use in the operation of the Franchised Business and Franchisee shall reimburse Franchisor for the cost of such e-mail address(es).

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 30 days after the execution of this Agreement, Franchisor will offer and Franchisee will thereafter be required to satisfactorily complete an initial training program (the "**Training Program**") of between 5 and 15 days at Franchisor's "Hunk University" in Tampa, Florida, or at such location(s) as Franchisor shall designate. Such initial training program will include operational, management and marketing training pertaining to the System. The Training Program will be offered to Franchisee (or its Managing Owner and one of Franchisee's managers only) for a maximum of 2 people. Otherwise, attendance by your employees is optional and you must pay us a training fee (the "**Training Fee**") of $500 per person attending training in excess of 2. If the Franchisee is a Business Entity, its duty to complete the Training Program shall be discharged by the completion of such Training Program, to Franchisor's satisfaction, by the Managing Owner. Failure to attend the Training Program after registering for a specific Training Program will result in a $300 absence fee. All cancellations after registration but before Training must be done 4 weeks in advance of the Training Program, otherwise, Franchisee will be subject to a $300 cancellation fee. Franchisor may terminate this Agreement at any time before the close of the third full business day following the end of the Franchisee's attendance at the Training Program if (i) Franchisee (or its Managing Owner) fails to satisfactorily complete the Training Program; or (ii) Franchisor determines, in its sole discretion, either during or upon completion of the Training Program, that Franchisee (or its Managing Owner) is not qualified or otherwise suitable to own and operate the Franchised Business or operate to Franchisor's satisfaction. If Franchisor terminates this Agreement based on the foregoing, it will refund the Initial Franchise Fee (without interest) paid to Franchisor under Section 8.1 below, less the amount of any brokers' fees or commissions paid or payable by Franchisor to any third parties in connection with the grant of the franchise to Franchisee, provided Franchisee and its owners have signed and delivered to Franchisor a general release.

In addition to the Training Program, Franchisor may elect to provide up to 3 days of additional training at Franchisee's Approved Location within the first 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 initial Training Program and any periodic enrichment or refresher training programs.

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. 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 Franchisee is solely responsible for training all of its employees and ensuring they are fully trained to perform their duties. Franchisor does not require Franchisee's employees to attend its training programs.

5.3.7 Franchisor may waive the training requirements of any manager if it shall determine, in its sole discretion, that any such manager 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. Franchisee must pay Franchisor an enrichment training fee (the "**Enrichment Training Fee**") of $500 per person. Enrichment training may include, but is not limited to, that (1) Franchisee must attend additional training at Franchisor's headquarters; (2) Franchisor may send 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 Annual Royalty required herein; (b) the Franchised Business has suffered negative growth for 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 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 SLC and customers). Unsatisfactory performance of the Franchised Business is a default under this Agreement and Franchisor may terminate this Agreement and your Franchised Business.

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 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 3-month period, Franchisor shall have the right to terminate this Agreement.

Franchisor may terminate this Agreement immediately upon notice: (a) at any time that Franchisee has more than 3 open customer complaints that have not been resolved to Franchisor's satisfaction within 10 days; and/or (b) if Franchisee has multiple negative uncured online reviews, including, but not limited to, Angie's List, Yelp, BBB, Listen 360, Google Reviews, CCF that have not been resolved to Franchisor's satisfaction.

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 $500 per person), Franchisee or 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 fails to attend any convention, and such attendance is not excused by Franchisor, Franchisee shall pay to Franchisor a missed convention fee in the amount of $500, which shall be in addition to the convention registration fee. 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, materials, supplies and services which may be used in the System.

5.8 Software

5.8.1 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.

5.8.2 In addition to the other training specified in this Agreement, Franchisor or its designee will provide during the term of this Agreement, at Franchisee's request and subject to an additional charge to Franchisee, technical advice on the use of the Software as Franchisor, in its sole discretion, determines to be reasonably necessary.

5.8.3 Franchisee agrees to participate in any profitability benchmarking program(s) developed or designated by Franchisor from time to time during the term of this Agreement and further agrees to provide any and all information requested by Franchisor in connection therewith. Profitability benchmarking systems are designed to measure the financial performance of franchisees and the overall franchise system, and may be used to collect and prepare financial performance information for Franchisor's franchise disclosure document or for any other purpose. There are no restrictions on Franchisor's rights to use information collected or obtained in connection with any profitability benchmarking program(s) or contained in any other reports or information submitted to Franchisor under the terms of this Agreement or the Manual. Failure to provide any financial information may result in you being required to enroll in the CHC Bookkeeping Program.

5.9 Computer Hardware

Franchisor shall specify the particular computer hardware and peripheral equipment which Franchisee must purchase or lease and maintain during the term of this Agreement. Franchisee shall also apply for and maintain such credit card, debit card and other non-cash payment systems as Franchisor designates or approves. Franchisor may require Franchisee to maintain service and support contracts for the computer system and/or any credit card, debit card or other non-cash payment system, and to periodically update, upgrade or make other changes that Franchisor requires. Franchisor reserves the right to designate the vendor(s) for such items. Franchisor reserves the right to receive commissions, rebates or other benefits from any vendors or suppliers, for its sole and exclusive benefit.

5.10 Pricing

Franchisor reserves the right, at any time and from time to time, to establish maximum, minimum, or other pricing requirements on the prices that Franchisee may charge clients for products or services, to the fullest extent allowed by applicable law, which may include regional and/or demographic variations. Franchisor will notify Franchisee of any maximum, minimum or other pricing requirements (including, without limitation, temporary promotional pricing), which will be deemed effective upon receipt, unless otherwise stated in the notice. Franchisee is obligated to inform Franchisor of (i) all prices charged for services and products sold by Franchisee and (ii) any modifications made to any suggested pricing.

5.11 Brand Development Fund Administration

Franchisor or its designee 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 First Contact Sales & Loyalty Center

5.14.1 Franchisor or its designee will own, operate and maintain a national First Contact Sales & Loyalty Center ("**SLC**"), which will operate for the benefit of all franchisees in the System and which Franchisee must use. The SLC will derive the majority of Franchisee's appointments from its advertising and networking. The SLC 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 Support Fees and Appointment Fees, as described in Sections 8.4 and 8.5, for the services provided by the SLC. Franchisor reserves the right to discontinue operation of the SLC and, in such event, the Support Fees and Appointment Fees shall no longer apply.

5.14.2 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 SLC 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.

5.14.3 Franchisee acknowledges and agrees that the SLC 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 SLC.

5.15 Refresher Training

5.15.1 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.

5.15.2 Franchisee will pay the Franchisor's then-current charge for refresher training (currently $500), and Franchisee shall be responsible for his/her own travel expenses, meals and lodging, including those of his/her manager(s). 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.

5.15.3 Franchisee's manager(s) 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. Franchisor reserves the right to post such directory on Franchisor's 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 not directly solicit or service any clients outside of the Designated Territory without Franchisor's prior written consent. If the SLC receives a request for Services from a client within an unassigned Zone, but said Zone is within a radius of 15 miles from Franchisee's Designated Territory, the Franchisor may require Franchisee to provide the Services to said client and to pay the Appointment Fee referenced in Section 8.5. If the client is outside the 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 designating suggested and/or required sources of supply for forms, signs, cards, stationery and other items and/or services necessary to operate the Franchised Business. The suggested and/or required source of supply for items and services may be Franchisor, an affiliate of Franchisor, or an independent supplier. Franchisee may purchase supplies or services 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, unless Franchisor has designated a single approved supplier (which may be Franchisor or its affiliate) for a product or service, or has limited the number of approved supplier for a particular product or service. The supply manual may, at Franchisor's option, be included as part of the Manual.

5.19 Preferred Vendor Program

In addition to Franchisor's approval of suppliers, Franchisor may develop certain programs and terms under which Franchisor, its affiliates, certain franchisees or others receive certain negotiated benefits or terms from approved or designated suppliers ("**Preferred Vendor Programs**"). Franchisee shall follow all of Franchisor's policies and procedures for participation in or termination of Preferred Vendor Programs ("**Program Rules**"). Franchisor can refuse or terminate Franchisee's participation in Preferred Vendor Programs without terminating this Agreement. Program Rules may require Franchisee to agree, and Franchisee shall agree, to only place or display in connection with the Franchised Business such signs, emblems, lettering, logos and display materials that Franchisor periodically approves or prescribes in connection with Preferred Vendor Programs. Franchisor may, in connection with Preferred Vendor Programs, designate one or more approved suppliers as an exclusive or the exclusive supplier or suppliers of types, models or brands of any products or services that Franchisor approves as meeting its standards and specifications for College Hunks Hauling Junk and/or College Hunks Moving businesses, and Franchisor may require such preferred vendor(s) or other preferred vendors to pay to Franchisor or its affiliates, in a manner Franchisor designates, rebates, commissions or other benefits as a condition of Franchisor's designation of them as preferred vendors or permission for them to serve as an approved supplier for the System (collectively, "**Preferred Vendors**"). Franchisor may require, and certain approved suppliers that Franchisor designates as Preferred Vendors may require, that Franchisee agree to enter into certain agreements with them (subject to Franchisor's approval) in connection with their designation as Preferred Vendors or approved suppliers or Franchisee's participation in the Preferred Vendor Program (the "**Preferred Vendor Agreements**"). Franchisor may require that Franchisor be a party to such Preferred Vendor Agreements with Preferred Vendors. Franchisee acknowledges and agrees that: (a) monies or other remuneration that Franchisor receives in connection with Preferred Vendor Programs or other benefits it receives from Preferred Vendors or approved suppliers is fair and appropriate compensation to Franchisor in connection with its active efforts to evaluate them as Preferred Vendors or approved suppliers, Franchisor's ongoing efforts to monitor and evaluate whether they continue to meet Franchisor's requirements for participation as Preferred Vendors or approved suppliers, and Franchisor's administration of Preferred Vendor Programs; and (b) such monies or remuneration are fully earned by Franchisor. Franchisor and its affiliates may retain all revenue and other remuneration they receive from Preferred Vendors and approved suppliers without restriction (unless the supplier or vendor requires otherwise). Franchisor, in its sole judgment, may concentrate purchases with one or more Preferred Vendors or approved suppliers to obtain lower prices, advertising support and/or services for the benefit of Franchisor, its affiliates, and/or franchisees, or for any other reason that Franchisor deems appropriate, and establish supply facilities or servicing capabilities owned by Franchisor or its affiliates which Franchisor may designate as a Preferred Vendor or approved supplier. In such instances, Franchisor may limit the number of Preferred Vendors or approved suppliers with whom Franchisee may deal, designate sources that Franchisee must use, and refuse any request by Franchisee for another approved supplier or preferred vendor of any applicable product or service.

5.20 CHC Bookkeeping Program

In exchange for a fee payable to Franchisor as set forth below, Franchisee may participate in the CHC Bookkeeping Program, in which Franchisor will provide Franchisee with the following services relating to Franchisee's bookkeeping (the "**Accounting Services**"):

<u>Month End/Periodic</u>	**<u>Services Frequency</u>**
Reconcile/Record payroll	Bi-Weekly
Reconcile bank statements	Monthly
Reconcile credit card statements	Monthly
Reconcile loan payments	Monthly
Set up amortization schedules	Periodically
Provide Asset Tracking	Monthly
Accounts Payable Recording	Periodically
Accounts Receivable Recording	Periodically
Record depreciation/amortization	Monthly
Record journal entries as needed	Monthly
Expense accruals and smoothing	Monthly
Send detail summaries	As requested
Record sales tax payable (if applicable)	Monthly
Reconcile balance sheet accounts	Monthly
Prepare month-end folder	Monthly
Deliver Financial Package	Monthly
Send AR Aging	Monthly (15^{th})
Review Cash Forecasting Tool	Weekly
Provide 'Admin' Month-End Checklist	Update as needed

If Franchisee agrees to participate in the CHC Bookkeeping Program, Franchisee will need to cooperate with Franchisor, promptly respond to Franchisor's inquiries, provide Franchisor access to Franchisee's credit card processor, and provide timely the rough data to be processed, completely, accurately, and in the form specified by the CHC Bookkeeping Program or Franchisor. Franchisor shall not be responsible for errors resulting from incorrect data submitted for processing by Franchisee.

Franchisee must tender to Franchisor and thereafter maintain copies of the following data: (x) deposits logs for each deposit made by the 20^{th} and 5^{th} of each month; (y) bills, statements and receipts; and (z) by the 5^{th} day of the month following the event, Franchisee must tender to Franchisor: (i) all bank statements; (ii) all credit card statements; (iii) loan documents, leases, and related information when applicable; (iv) bi-weekly payroll reports; (v) payroll break-down (with regard to overlapping months); and (vi) monthly bonuses, commissions or other to be paid; all non-regular pay items such as expense reimbursements, deductions and advances.

Franchisee is responsible for the delivery of all data it is required to supply hereunder and shall take delivery of the completed Accounting Services at the time and intervals agreed upon. If Franchisee requests other methods of delivery or receipt of the completed Accounting Services, and Franchisor complies with such requests, Franchisor shall not be responsible for any delays in delivery or for any loss or damage of materials as a result of such delivery.

Fees to participate in the CHC Bookkeeping Program are listed in the table below. Services outside the scope of the Accounting Services will be charged at an hourly rate based upon Franchisor's determination of the complexity of the services actually rendered. Franchisor will invoice Franchisee monthly for the Accounting Services and any additional services rendered. Franchisor reserves the right to adjust the fees charged for the CHC Bookkeeping at any time upon 60 days' prior written notice. Payment is due within 10 days of invoice. If Franchisee fails to timely pay any such fees, Franchisor may suspend delivery of any of the Accounting Services to Franchisee, in addition to Franchisor's other remedies for late payments in this Agreement. Franchisee must pay all taxes that may be assessed on Franchisor's delivery of Accounting Services to Franchisee, including without limitation, service taxes, sales and/or use and excise taxes.

CHC Bookkeeping Service Fees		
Monthly Fee	Revenue Base	Revenue Cap
$150	0	$25,000
$350	$25,001	$50,000
$550	$50,001	$150,000
$700	$150,001	$250,000
$800	$250,001	$400,000
$875	$400,001	$600,000
$925	$600,001	$800,000
$950	$800,001	
Hourly Rate	$20 per hour	Additional services

Franchisor will provide Franchisee with the Accounting Services in accordance with its established policies and procedures as periodically developed. Franchisor will have full responsibility and commensurate authority for all activities to allow it to perform the Accounting Services for Franchisee. Accordingly, Franchisee must make all of its financial information available to Franchisor through the Computer System. Franchisor will have full, complete and unrestricted access to the Computer System through the Network. If Franchisor is denied access at any time, Franchisor may terminate the performance of all Accounting Services for Franchisee. Franchisor will utilize such personnel as it considers appropriate to effectively provide Accounting Services.

Franchisor will not be liable for any damage, loss or injury to Franchisee which arises out of or is connected to acts or omission in performing Accounting Services. In the event of any such act or omission, Franchisee's sole remedy will be Franchisor's re-performance of such Accounting Services or, at Franchisees option, issuance of a credit for the amount Franchisee paid for the allegedly deficient Accounting Services. Franchisor is not responsible for any loss or damage caused as a result of Franchisee's use of any of the Accounting Services or any information contained within them. Under no circumstances will Franchisor be liable for consequential, incidental or special damages, however arising, even if Franchisor have been advised of the possibility of such damages.

Franchisor represents and warrants to Franchisee that it will use reasonable care to assure the accuracy of the information to be provided to Franchisee in its performance of the Accounting Services. Franchisee understand that Franchisor relies on the information that Franchisee provides it through the Computer System and through reports for accuracy. To the extent any of such information is inaccurate or improperly completed, performance of Accounting Services will suffer accordingly. Franchisor does not warrant the completeness, accuracy or adequacy for any particular use or purpose of any of the Accounting Services provided by Franchisor. Franchisor cannot and does not guaranty or warrant that the information Franchisor provides in the Accounting Services is correct, complete, current, merchantable or fit for Franchisee's intended purpose. Other than the warranty of reasonable care, Franchisor makes no other warranty whatsoever with respect to the Accounting Services, whether express or implied. Franchisor will use due care in performing the Accounting Services required hereunder but shall not be responsible for errors not directly attributable to its equipment or operators. Franchisee agrees to hold harmless Franchisor for any loss, liability, claim, damage, suit, or other legal action for or on account of any errors made or caused to be made by the Franchisee. Franchisor agrees to hold harmless Franchisee for any loss, liability, claim, damage, suit, or other legal action for or on account of any errors caused by or attributable to the processing by Franchisor. Franchisor does not represent or warrant to Franchisee, and expressly disclaims any warranty, that the information contained in the Accounting Services is error free. Franchisor has no obligation or liability for any expense or loss incurred by Franchisee arising from Franchisee's use of the Accounting Services.

FRANCHISOR EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Franchisor has no liability to Franchisee for lost savings, lost profits or consequential, punitive or incidental damages. The above stated express warranty is in lieu of all of Franchisor's liabilities or obligations for damages arising out of or in connection with the delivery, use or performance of the Accounting Services. In no event will Franchisor's liability for breach of warranty exceed the aggregate of all amounts paid to Franchisor by Franchisee. Franchisee's exclusive remedy and Franchisor's entire liability, with respect to Franchisee's use of the Accounting Services is limited as described in this section.

Franchisee acknowledges that the Accounting Services are limited and do not replace Franchisee's need to engage an accountant or tax professional to ensure compliance with tax and other applicable laws. Franchisor disclaims any representations or warranties that Franchisor's services will satisfy or ensure compliance with any legal obligations or laws or regulations. This disclaimer applies to, but in not limited to, federal, state, and local income, payroll, sales tax and other tax laws, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Gramm-Leach-Bliley Act of 1999, the Sarbanes-Oxley Act of 2002, or other federal or state statutes or regulations. Franchisee is advised to consult with tax, accounting, and/or legal representatives to ensure that Franchisee is in compliance with all applicable laws. Franchisee acknowledges that it is solely responsible for and is not relying on Franchisor for compliance with applicable laws.

5.21 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.

5.22 Assistance with Dispute Resolution

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

5.22.1 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.

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

5.22.3 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 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 that will not otherwise contain any terms or conditions of employment that will be provided ancillary to this Franchise Agreement.

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 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 Franchisee 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. To the extent any of the standards of the System or other resources in the Manual address personnel or employment matters, those are not mandatory but are merely recommendations, suggestions or guidelines. System standards do not include any mandatory requirements on your employee's wages, working conditions, hours, staffing levels, shift timing or other terms of employment; but may specify uniforms and appearance to meet brand standards.

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 Hauling Junk® and/or College Hunks Moving® as designated on the cover 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 Hauling Junk® 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

7.10.1 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.

7.10.2 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. 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 $__________. 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 $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 $50,000. If Franchisee is a qualified United States veteran, and provided that Franchisee shall at all times own a minimum of 51% of the Franchised Business, Franchisor shall reduce the Initial Franchise Fee by $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 15¢ per person in the Zone; provided, however, that in no event shall the Designated Territory include less than 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 $_______. The Initial Franchise Fee that Franchisee shall pay hereunder is calculated as the then-current Initial Franchise Fee of $40,000 less 10% of Franchisee's total revenue from its existing business in the previous year; provided, however, that in no event shall such discount exceed $30,000, making the minimum Initial Franchise Fee $10,000.

The Initial Franchise Fee (less any amount credited for 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 deemed fully earned upon execution of this Agreement; and is not refundable, in whole or in part, except as otherwise provided in Section 5.3 above. 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 1 or more additional Zone(s), either simultaneous with the execution of this Agreement or at any time during the term of this Agreement, such Zone(s) must be contiguous to Franchisee's Designated Territory and Franchisee must pay the additional fee specified in Section 8.1.2 or 8.1.3, as applicable, and must also meet Franchisor's then-current qualifications for franchisees who wish to own multiple Zones. Franchisor does not grant Franchisee any options or rights of first refusal to acquire additional Zone(s) after the Franchise Agreement is signed. Franchisor reserves the right to grant or deny the sale of additional Zone(s) to Franchisee, in Franchisor's sole discretion. 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 must sign a separate Franchise Agreement for each office. Thus, the maximum number of Zones that Franchisee may own and operate pursuant to this Agreement shall be 4. Unless otherwise agreed in writing by Franchisor, Franchisee will not be eligible to purchase additional Zone(s) during the term of this Agreement unless:

(a) Franchisee is in full compliance with its obligations under this Agreement and all other agreements relating to the Franchised Business (including, without limitation, any financing documents and vehicle or equipment leases), and any other agreements between Franchisee (or its affiliates) and Franchisor (or its affiliates);

(b) Franchisee completes and submits Franchisor's then-current form of franchise expansion application;

(c) Franchisee satisfies Franchisor's then-current expansion qualifications and criteria, including, without limitation (i) minimum specified levels of "liquid capital" (as defined in Section 9.1.3) for the entirety of the Designated Territory (including Franchisee's existing Zone(s) and the additional Zone(s) to be purchased); and (ii) minimum specified levels of gross revenues for each of Franchisee's existing Zone(s); and

(d) Franchisee submits an annual financial statement for the Franchised Business for the most recently completed fiscal year, a year-to-date profit and loss statement, a balance sheet as of the end of the calendar month preceding the date of Franchisee's request, and current personal net worth statements for Franchisee's owners, in form and substance reasonably satisfactory to Franchisor.

If Franchisee purchases any additional Zone(s) after Franchisee commences operations of the Franchised Business, as a condition to Franchisee's request, Franchisor may require Franchisee to terminate this Agreement and execute Franchisor's then-current form of Franchise Agreement covering all Zones. The term of the new Franchise Agreement may, at Franchisor's sole discretion, be modified to expire when this Agreement would have expired under Section 4.1 above.

8.1.2 If Franchisee elects to purchase additional standard size Zones at the same time this Agreement is executed, then Franchisee must pay Franchisor fully earned and non-refundable deposit of $10,500. The total cost of an additional Zone is $35,000. The remaining $24,500 will become due when the additional Zone is granted approval for commencement of operations. Franchisee may request approval for commencement of the second contiguous Zone if they have been operating the first Zone for a minimum of 6 months. To do so, Franchisee must (i) be in good standing under the Franchise Agreement and all other agreements with Franchisor; (ii) complete Franchisor's then-current form of franchise expansion application that may be posted in our Operations Manual or otherwise made available; and (iii) meet Franchisor's then-current criteria, including, but not limited to, demonstrated financial ability and minimum revenue/performance criteria for Franchisee's existing Zone(s). As of the date of this disclosure document, we require: (a) minimum revenue of at or above the average 6 month per population revenue figure based on the prior year's franchisees ramp up data and (b) at least 6 months' available capital or financing (based on Franchisee's reasonable estimates).

8.1.3 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 $40,000 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. To do so, Franchisee must (i) be in good standing under the Franchise Agreement and all other agreements with Franchisor; (ii) complete Franchisor's then-current form of franchise expansion application that may be posted in our Operations Manual or otherwise made available; and (iii) meet Franchisor's then-current criteria, including, but not limited to, demonstrated financial ability and minimum revenue/performance criteria for Franchisee's existing Zone(s). As of the date of this disclosure document, we require: (a) minimum revenue of at or above the average 6 month per population revenue figure based on the prior year's franchisees ramp up data and (b) at least 6 months' available capital or financing (based on Franchisee's reasonable estimates). We may periodically change the qualifications and criteria for purchasing additional Zones.

8.1.4 If Franchisee elects to purchase an additional fraction of a Zone, whether at the same time this Agreement is executed or during the term of this Agreement, then the cost for such fractional Zone shall be $15,000 for each additional 100,000 people. The additional fractional Zone fee shall be payable upon execution of this Agreement or upon Franchisor's approval of Franchisee's purchase of the additional fractional Zone, as applicable, and is non-refundable, except as otherwise provided in Section 5.3 above. Application and approval will follow the same process as outlined above in Sections 8.1.2 and 8.1.3.

8.1.5 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 $20,000, provided the other concept is then available for purchase within the Designated Territory and has not been sold to another franchisee, and further provided that Franchisee satisfies Franchisor's then-current criteria. This additional concept fee is payable when Franchisor approves Franchisee to purchase the additional concept and is not refundable. If Franchisee is not in good standing under this Agreement, Franchisee will not have the option to purchase the additional concept.

8.1.6 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), except that Franchisor, in its sole discretion, may require Franchisee to terminate this Agreement and sign Franchisor's then-current form of Franchise Agreement as provided in Section 8.1.1, if Franchisee purchases additional Zone(s) after Franchisee commences operations of the Franchised Business.

8.1.7 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.

8.2 Continuing Royalty Fee; Minimum Annual Royalty

8.2.1 In addition to the Initial Franchise Fee, Franchisee shall pay Franchisor a semi-monthly Continuing Royalty Fee equal to 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. The Continuing Royalty Fee is payable on the 3rd and 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 3rd day of each month is calculated based on Gross Sales generated in the period from the 16th day of the previous calendar month to the last day of such month. The Continuing Royalty Fee payable on the 18th day of each month is calculated based on Gross Sales generated in the period from the 1st day through the 15th day of the current month.

8.2.2 Notwithstanding Section 8.2.1 above, if Franchisee provides Services outside of the Designated Territory, and the provision of such Services is 30% or more of the total Gross Sales of the Franchised Business during any continuous 3-month period, but Franchisee does not wish to purchase the additional Zone pursuant to Section 8.6 (or does not qualify to purchase the additional Zone), then Franchisee shall pay Franchisor an additional Continuing Royalty Fee equal to 5% of all Gross Sales from Services provided outside the Designated Territory, which shall be in addition to the standard Continuing Royalty Fee of 7% of Gross Sales under Section 8.2.1. In the event Franchisee qualifies and elects to purchase the additional Zone, then the amount of the additional Continuing Royalty Fees paid to Franchisor pursuant to this Section 8.2.2 will be credited toward the cost of the additional Zone, up to the amount of the purchase price for such Zone. These additional Continuing Royalty Fees are otherwise not refundable under any circumstances. Franchisee's failure to stop providing Services outside the Designated Territory upon notice from Franchisor shall constitute a material default of this Agreement. Nothing in this Section or any other provision of this Agreement shall be construed to allow Franchisee to provide Services outside the Designated Territory without Franchisor's prior written consent. Franchisor reserves all other rights and remedies available to it under this Agreement.

8.2.3 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 and/or products sold and/or performed for such clients, whether for cash, check, barter, debit or credit card, plus any other revenues derived from the operation of the Franchised Business and all amounts received by Franchisee from any activities or services (whether authorized or unauthorized) that are in any way associated with the Proprietary Marks or the System, or from the sale of any unauthorized products or services (whether or not such sales are made through the Franchised Business) that are competitive with products or services offered or sold by Franchisor or its affiliates, but excluding (i) federal, state or municipal sales, use, service or excise taxes collected from clients and paid to the appropriate taxing authorities and (ii) client refunds. Gross Sales also includes revenue that would have been collected had the client actually paid for services rendered but didn't, regardless of if the service was performed gratuitously by the franchisee or if the client refused to pay for service rendered (whether through returned checks, stop payment on a credit card or check, etc.). Gross Sales does not currently include revenues from re-sale items, consignments, recycling, scrap, etc., but Franchisor reserves the right, in its sole discretion, upon 30 days' prior notice to Franchisee, to include such revenues in the definition of Gross Sales. 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. Attached as Exhibit I is a copy of the current version of the Royalty Memo excerpt from the Manual that describes certain activities and revenues from them that constitute Gross Sales. Franchisee agrees and acknowledges that the revenues from activities described in the Royalty Memo will require it to pay the Continuing Royalty Fee to the Franchisor pursuant to this Agreement. Franchisor may revise the Royalty Memo from time-to-time.

8.2.4 If at the end of any year of operations of the Franchised Business, the total of all Continuing Royalty Fees paid by Franchisee to Franchisor during the previous year of operations is less than the Minimum Annual Royalty for that year, Franchisee shall pay to Franchisor an amount equal to the difference between the Minimum Annual Royalty and the total of all Continuing Royalty Fees actually paid to Franchisor for that year, calculated on an actual per Zone basis. The amount of such difference (if any) shall be paid to Franchisor on or before the 15th day of the month immediately following the anniversary of the Commencement of the Business (as defined in Section 8.7) and shall be paid by electronic funds transfer or as otherwise directed by Franchisor. Any royalty paid by Franchisee or its affiliates from one zone will not offset the amount of the minimum royalty shortfall due to Franchisor from any other zone owned by it. For purposes of this Agreement, the "Minimum Annual Royalty" shall be:

Time Period*	Minimum Annual Royalty (Per Zone) – Junk Only**	Minimum Annual Royalty (Per Zone) – Moving Only**	Minimum Annual Royalty (Per Zone) – Junk & Moving (both concepts)**
Year 1	$4,500	$6,000	$6,000
Year 2	$5,400	$7,200	$7,200
Year 3	$7,200	$9,600	$9,600
Year 4	$9,000	$12,000	$12,000
Year 5 and beyond***	$10,800	$14,400	$14,400

* Year 1 begins on the Commencement of Business and ends on December 31 of that year. Year 2 begins on January 1 and then each Year is the calendar year. The Minimum Annual Royalty for Year 1 is pro-rated by the number of days the Franchised Business was open compared to 365 days in a year.

** The Minimum Annual Royalty is calculated by multiplying the amount set forth in the chart by the number of Zones in the Designated Territory.

*** Notwithstanding the above, if this Agreement relates to the renewal of an existing franchise, the Minimum Annual Royalty shall be the amount set forth under "Year 5 and beyond," which shall apply during the entire term of this Agreement. If this Agreement relates to the transfer of an existing franchise, the Minimum Annual Royalty (and any increases) shall be determined by the number of years the Franchised Business has been in operation as of the effective date of this Agreement.

THESE MINIMUM ANNUAL ROYALTY AMOUNTS SHOULD NOT BE DEEMED OR CONSTRUED TO CONSTITUTE A PROJECTION OR ESTIMATION OF THE LEVEL OF GROSS SALES OR REVENUE THE FRANCHISEE MIGHT BE ABLE TO GENERATE FROM THE OPERATION OF THE FRANCHISED BUSINESS.

8.2.5 Continuing Royalty Fees attributable to Gross Sales earned or achieved for Services sold and/or performed outside of a Franchisee's Zone(s) do not count towards the calculation of the Minimum Annual Royalty.

8.2.6 If Franchisee fails to achieve, for 2 consecutive years of operations or any 3 years of operations during the term of this Agreement, the level of Gross Sales (based on Gross Sales for which Continuing Royalty Fees were actually paid to Franchisor) necessary to achieve at least the corresponding Minimum Annual Royalty amounts for each of those years, then, notwithstanding Franchisee's payment of the difference pursuant to Section 8.2.4 above, Franchisor shall have the right, at its option, to: (a) to take back any of Franchisee's Zones (if Franchisee then operates multiple Zones) that did not meet the required minimum levels and/or (b) remove the exclusivity from all or a portion of Franchisee's Designated Territory; (in each allowing Franchisor to then grant or operate other Franchised Businesses within such area).

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 (the "**Brand Development Fee**") (to be expended as provided in Section 11.2) in an amount equal to 2% of Franchisee's Gross Sales during the previous 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 Support Fee

Franchisee shall be required to pay to Franchisor a support fee ("**Support Fee**") for the administration of the First Contact Sales & Loyalty Center (including but not limited to staffing and equipment purchases), maintenance and upgrades to the Software, and maintenance fees for any intranet maintained by or on behalf of Franchisor. The Support Fee equals (i) $799 per month for junk-only franchises or (ii) $945 per month for moving franchises or moving/junk franchises. The Support Fee is payable at the same time and in the same manner as the Continuing Royalty Fee. There is no Support Fee due for the first 6 months from the Agreement Date unless this Agreement results from a renewal or transfer, then it applies immediately.

8.5 Appointment Fee

In addition to the Support Fee, Franchisee will pay $19 per scheduled appointment by the SLC (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 SLC 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" means 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 Appointment Fee 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 system-wide cancellation average to ensure Franchisee does not abuse the system of cancelled appointments or credits from the SLC. Franchisee is responsible for performing confirmation calls with clients at least the day prior to the scheduled appointment 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

8.6.1 Franchisee and Franchisor may agree that Franchisee is permitted to service clients in zip code(s) (the "Temporary Zones ") outside of the Designated Territory, provided such clients are not located in another franchisee's designated territory. Franchisee's services in the Temporary Zones must be fully consistent with this Agreement and Franchisee's operations in its Designated Territory including (without limitation) scope of services offered, pricing, and estimating tools and criteria. The Franchisee will pay a monthly leasing fee of $50 (the "Temp Fee"). The Franchisor may terminate Franchisee's right to the service clients in the Temporary Zones upon 30-days written notice for any reason. Franchise may terminate Franchisee's right to service clients in the Temporary Zones upon 30-days written notice for any reason. Your services in the Leased Zip Codes must be fully consistent with your Franchise Agreement and your operations in your Designated Territory (including the scope of services offered, pricing and estimating tools and criteria). For all your operations in the Leased Zip Codes, if we determine that it is necessary to protect our brand standards and relationships with neighboring franchisees, we may require that you adhere to certain pricing levels for your service offerings. If the provision of Services to clients outside of the Designated Territory accounts for 30% or more of Franchisee's total Gross Sales during any continuous 3-month period, Franchisor may, at its option: (a) require Franchisee to pay an additional 5% Continuing Royalty Fee (in addition to the standard Continuing Royalty Fee) on all Gross Sales outside of the Designated Territory; or (b) require Franchisee to cease providing Services outside of the Designated Territory. Franchisee must meet all of Franchisor's then-current qualifications for purchasing an additional Zone, as set forth in this Agreement and the Manual. If Franchisee does not wish to purchase the additional Zone or is not qualified to do so (as determined by Franchisor, in its sole discretion), Franchisee must immediately cease providing Services in such Zone, or, with Franchisor's written consent, may continue providing Services in such Zone subject to payment of the additional Continuing Royalty Fee equal to 5% of Gross Sales.

8.6.2 Notwithstanding anything to the contrary in Section 8.6.1 or any other section of this Agreement, Franchisee must immediately cease providing Services in any unassigned Zone upon 30 days' receipt of notice from Franchisor to stop. If Franchisee fails to do so, Franchisor may terminate this Agreement.

8.6.3 Franchisee is not permitted to provide Services within a designated territory assigned to another franchisee or reserved for the Franchisor or its affiliate. The provision of any Services within a designated territory assigned to another franchisee or reserved for the Franchisor or its affiliate, without the prior written consent of such person, shall be deemed a material default under this Agreement. In addition to any other rights and remedies available herein, Franchisor may require Franchisee to pay a penalty fee equal to 20% of the job revenue for the first violation, 50% of the job revenue for the second violation, and 100% of the job revenue for the third (or any subsequent) violation of this Section.

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. "**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, Support Fees, Appointment Fees, lease payments, amounts due for purchases by Franchisee from Franchisor, and any other amounts which Franchisee owes to the Franchisor shall bear interest after the due date at the annual rate of 18% or the maximum rate of interest allowed by applicable state law, and interest shall accrue from the original due date until payment is received in full. Franchisee acknowledges that this Section 8.11 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. If Franchisor requires, Franchisee agrees to take any actions necessary to assign payment of revenues from Franchisee to Franchisor, in an arrangement whereby Franchisor will subtract any Continuing Royalty Fees, Brand Development Fees, Support Fees, Appointment Fees, or other amounts owed from Franchisee to Franchisor from such revenue, then pay Franchisee the net amount.

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; except to round upwards to the nearest whole dollar. 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 at least 12 months following your Franchise Agreement Date. Franchisor's failure to adjust any fixed dollar amounts due to changes in the Index at any time does not constitute a waiver of its right to do so at any other time, including for past periods. However, Franchisor will not impose such adjustments retroactively.

8.15 Performance Refund

If Franchisee owns at least one full Zone and fails to reach $180,000 in Gross Sales during the first 18 months of operations, and Franchisee has followed the System and complied with this Agreement and the Manual with no material defaults, Franchisee may exit the business and Franchisor will refund

50% of the Initial Franchise Fee paid by Franchisee for its 1st Zone (i.e. $20,000 if Franchisee purchased moving or junk removal, or $25,000 if Franchisee purchased both moving and junk removal). Franchisee must submit a request in writing to Franchisor at 18 months if Franchisee wishes to exercise this exit/refund option. Franchisor will review Franchisee's request and notify Franchisee within 30 days after receipt of Franchisee's request. If Franchisor approves the request, then Franchisee must sign a mutual termination and general release at that time. Franchisor will refund the 50% of the Initial Franchise Fee within 90 days of acceptance of Franchisee's request and after Franchisor has received the signed mutual termination and release, and provided Franchisee has fulfilled its post-term obligations under the Franchise Agreement. Franchisee must be in full compliance with this Agreement and the Manual, and must have followed the System entirely, in order to qualify for this refund.

8.16 Performance Incentive

If you purchase a brand-new Zone (not a Zone that has previously been owned and developed) and reach $400,000 in Gross Sales during your first 18 months of operations in said Zone, and you have followed the System with no material defaults, we will pay you a marketing incentive of $5,000. You must submit a request in writing at 18 months if you wish to exercise this incentive. If you purchase and open an additional brand-new Zone after commencement of the first brand new Zone, you will have another 18 months from the commencement date of the additional Zone to reach $400,000 in Gross Sales in said zone to request an additional marketing incentive of $5,000. This Performance Incentive applies to all additional brand-new Zones that are purchased after the original brand-new Zone. We will review your request and notify you within 30 days of your request. If approved, we will credit your royalty payments by $5,000 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 a physical commercial office space (the "Office") separate from its residence from which to operate the Franchised Business. The Office must be dedicated to the Franchised Business and not share office space with another business whether or not affiliated. All service calls for the Franchised Business will emanate from the Office. Franchisee acknowledges and understands that Franchisor does not provide site selection assistance. However, the location, characteristics and facilities of the Office are subject to Franchisor's acceptance which will not be unreasonably withheld. The Office must be located within the Franchisee's Designated Territory.

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 required by Franchisor, which shall not be less than the equivalent of 6 months of operating capital for the entirety of the Designated Territory. The term "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 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 30 days after the date Franchisor approves Franchisee's Designated Territory or 90 days after this Agreement is executed, whichever occurs first. 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 (all other matters pertaining to employment are suggestions or recommendations only). 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

9.4.1 Franchisee's Participation. During the entire term of this Agreement, Franchisee (or its Managing Owner) shall be responsible personally for devoting his or her full time and best efforts to the supervision and operation of the Franchised Business, unless otherwise agreed in writing by Franchisor. If Franchisee is or at any time becomes a Business Entity, an owner who owns and controls at least 51% of the ownership interests in the Business Entity ("Managing Owner") shall successfully complete the Training Program and fulfill the requirements set forth in this Section 9.4. Franchisor may give direction to, and receive direction from, the Managing Owner regarding all aspects of the Franchised Business and all matters pertaining to this Agreement and all related agreements. If Franchisee's Managing Owner transfers his/her ownership interest (with Franchisor's approval), Franchisee must designate a new Managing Owner (whom Franchisor must approve) that must attend and satisfactorily complete Franchisor's Training Program within the timeframe Franchisor specifies.

9.4.2 Management of the Franchised Business. The Franchised Business must at all times be under the direct supervision of Franchisee (or its Managing Owner) or an approved manager who has successfully completed the Franchisor's Training Program. The Franchisor (or its Managing Owner) and/or the manager must devote sufficient time and attention to performing their duties under this Agreement, including a minimum of 30 hours per week of their physical presence to oversee and actively supervise the operation of the Franchised Business during operating hours. If Franchisee (or its Managing Owner) will not actively and directly supervise the operation of the Franchise Business, Franchisor may, in its sole discretion, require that the approved manager have at least a 10% ownership interest in the Franchised Business. If the approved manager is terminated, leaves the employ of the Franchisee or otherwise fails to devote his or her full time and best efforts to the management and operation of the Franchised Business, the Franchisee must, within 30 days from such event, hire a new manager (approved by Franchisor) who must successfully complete the Training Program within the timeframe Franchisor specifies.

9.4.3 No Competing or Conflicting Activities. If, at any time during the term of this Agreement, Franchisee or its owners/principals wish to engage in or operate any other type of business which may distract from the Franchised Business or potentially conflict with Franchisee's obligations hereunder, Franchisee must receive Franchisor's written approval before proceeding with such 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 another business. If Franchisor reasonably believes that such other business will compete with the Franchised Business, adversely affect the operation of the Franchised Business, or conflict with Franchisee's obligations under this Agreement, Franchisor may disapprove such other 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 the Franchised Business. Franchisee (and its owners and affiliates) may operate or engage in an additional business without Franchisor's prior consent, provided that such business does not compete with or distract from the Franchised Business, adversely affect the Franchised Business, or conflict with Franchisee's (or its owners') obligations under this Agreement.

9.5 Service Vehicle

Franchisee shall be obligated to purchase or lease the Service Vehicle(s) 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. All Service Vehicle(s) utilized in your Franchised Business must meet our System standards and must meet our specifications for equipment, safety, layout, appearance, decor and model. The Service Vehicle(s) must be wrapped and otherwise decorated in accordance with our System standards, which will include utilizing logos and designs that we specify or approve. We may require you to obtain equipment, wrapping and other decorative services for your Service Vehicle(s) from suppliers that we designate. You must also upgrade, maintain and replace your Service Vehicle(s) periodically in accordance with System standards that we specify in the Manuals and otherwise from time to time, including appearance, logos, wraps, colors and signage. For purposes of this Section 9.5, a Service Vehicle used to provide junk removal services under the College Hunks Hauling Junk® brand is referred to as a "**junk truck**," and a Service Vehicle used to provide moving services under the College Hunks Moving® brand is referred to as a "**moving truck**." Franchisee acknowledges and agrees that Franchisor's standards and specifications for moving trucks may be different from the standards and specifications for junk trucks. If Franchisee wishes to purchase used Service Vehicle(s), such Service Vehicle(s) must be approved by Franchisor prior to purchase, which approval will not be unreasonably withheld.

9.5.1 Number of Service Vehicles.

(a) Franchisee shall commence operation of the Franchised Business with at least 1 Service Vehicle for each service provided (i.e., junk removal and/or moving). For example, if you purchase the College Hunks Hauling Junk® brand only, then you must start operating with one junk truck. If you purchase the College Hunks Hauling Junk® and the College Hunks Moving® brands, then you must commence operations with one junk truck and one moving truck.

(b) Franchisee shall add a 2nd junk truck or moving truck, as applicable, for each service provided (i.e., junk removal and/or moving) when the Franchised Business achieves Gross Sales of $15,000 or more for such service (i.e., junk removal or moving) in any given month. Franchisee shall thereafter add an additional junk truck and/or moving truck, as applicable, whenever its average

Gross Sales per existing Service Vehicle for such service equal $15,000 or more in any given month. Notwithstanding the foregoing, if Franchisee owns 3 or more Zones, Franchisee shall have at least 1 Service Vehicle in operation for each service provided (i.e., junk removal and/or moving) per Zone no later than the commencement of the 3rd year of operations, regardless of the level of Gross Sales, or Franchisee will automatically forfeit its rights to any Zone(s) for which Franchisee does not have a junk truck and/or moving truck, as applicable, in operation.

(c) 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.

(d) If Franchisee purchases additional Zone(s) during the term of this Agreement, Franchisor may require Franchisee to add additional Service Vehicle(s) sooner than would otherwise be required under this Section, as a condition of acquiring such Zone(s). Franchisor may also require Franchisee to acquire additional Service Vehicle(s) as a condition of the grant of a renewal Franchise Agreement upon expiration of this Agreement.

9.5.2 Use of Service Vehicle. Franchisee and his/her employees, agents and independent contractors shall travel to clients' and prospective clients' residential or small commercial properties only in Service Vehicles that have been acquired, designed, equipped, painted, decaled, wrapped, 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 and preserve the goodwill associated with the Proprietary Marks. Franchisee understands and acknowledges that the Service Vehicle(s) shall only be used for projects and work approved and/or authorized by Franchisor, and for no other purpose. At Franchisor's direction, all Service Vehicles must utilize tracking systems using the software and equipment specified by Franchisor. Franchisee must grant and otherwise enable Franchisor to access the tracking, location and related data for each Service Vehicle as Franchisor determines appropriate.

9.5.3 Condition. Franchisee shall maintain his/her Service Vehicle(s) 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 wrapping, signage and logos. Franchisee shall be required to replace a Service Vehicle: (a) at least every 7 years, or earlier, depending on the age and condition of the Service Vehicle; and (b) whenever directed by Franchisor if the Service Vehicle does not meet its then current standards.

9.5.4 Cleanliness and Appearance. Franchisee shall keep all of its Service Vehicle(s) neat and clean, and consistent with the image of the Franchised Business as a professionally operated junk removal and/or moving services business.

9.5.5 Indemnification; Independent Contractor. All Service Vehicles must maintain in a conspicuous place signage approved by Franchisor that the Franchised Business is independently owned and operated by the Franchisee pursuant to an agreement with the Franchisor. Nothing in this Agreement is intended to creative a fiduciary relationship between the Franchisee and Franchisor or to constitute the Franchisee as an agent, legal representative, subsidiary, joint venture, partner, employee or servant of the Franchisor for any purpose whatsoever. It is understood and agreed that the Franchisee is an independent contractor and is in no way authorized to make any contract, warranty or representation or to create any obligation on behalf of the Franchisor.

9.5.6 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 Hauling Junk® franchisee without first removing and/or obliterating all the logos, signage and Proprietary Marks. When Franchisee disposes of any Service Vehicle, he/she must give Franchisor prior written notice of such disposition, including verification of the removal of all logos, signage and Proprietary Marks. In addition, during the term of this Agreement, Franchisee may not, without Franchisor's written consent, assign or sublet a lease for any Service Vehicle.

9.5.7 Safe Driving. Franchisee shall hire and use only safe and courteous drivers of his/her Service Vehicle(s) and shall maintain at all times during the term of this Agreement such automobile insurance policies and coverage amounts as may be prescribed in the Manual from time to time.

9.5.8 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.

9.5.9 Taxes and License Fees. Franchisee shall promptly pay all license and use charges and taxes assessed on or pertaining to his/her Service Vehicle(s) and shall hold Franchisor harmless therefrom.

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

9.5.11 Reports. Franchisee shall, when 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.

9.5.12 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.

9.5.13 Purchase of Service Vehicle. If Franchisee purchases his/her Service Vehicle(s), rather than leasing them, the form of any purchase contract and/or financing documents shall contain the following provisions:

(a) a provision which requires any lender concurrently to provide Franchisor with a copy of any written notice of deficiency or default under the terms of the loan sent to Franchisee or its affiliate as the purchaser; and

(b) a provision granting Franchisor, at its option, the right (but not the obligation) to cure any deficiency or default under the loan should Franchisee fail to do so, within 10 days after the expiration of any period in which Franchisee may cure such default or deficiency. Franchisee shall thereafter reimburse Franchisor for such amounts immediately upon demand.

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 Hauling Junk® 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

The First Contact Sales & Loyalty Center is the primary scheduling database and will be the central point of contact for all customers. Franchisee must either: (a) refer prospective customers to the designated SLC; or (b) only if it has fully entered all required information into our designated software and platforms (currently HunkWare), Franchisee may book and perform Services for customers who have not previously had any contact with the SLC. The SLC's records will be dispositive in determining customer first contact.

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:

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

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

9.11 Computer System

9.11.1 Computer Hardware. Franchisee shall (at his/her sole cost and expense) purchase or lease and maintain throughout the term of this Agreement computer hardware and peripheral equipment meeting Franchisor's specifications. Franchisee understands and acknowledges that such computer hardware is required to utilize the Software. Franchisee shall provide to Franchisor any user IDs and passwords related to Franchisee's computer system as Franchisor requires. Franchisor reserves the right to require Franchisee to install and maintain systems that permit Franchisor to access and retrieve electronically any information stored in Franchisee's computer system, including, without limitation, information concerning the Gross Sales of the Franchised Business.

9.11.2 Technology Changes. Franchisee acknowledges and agrees that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish reasonable new standards (in writing) for the implementation of technology in the System. Franchisee agrees to abide by and fully adopt and implement, at its expense, any reasonable new technology standards established by Franchisor from time to time. There are no contractual limits on this obligation.

9.12 Authorized Products and Services

9.12.1 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 agrees 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, the Manual, and Franchisor's written directives. Franchisee shall not offer or sell (i) any products or services that are competitive with the products and services offered by College Hunks Hauling Junk® or College Hunks Moving® businesses; or (ii) any products or services that are competitive with other products and services offered (now or in the future) by the Franchisor or its affiliates, such as re-usable moving boxes, moving or storage containers, and storage services.

9.12.2 Subject to the provisions of Section 5.19 above, in the event 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 solely responsible for hiring, training and supervising its employees and independent contractors and must hire sufficient personnel to fully staff its Franchised Business in order to operate in accordance with standards of the System and uphold and represent the System to the highest standards. Franchisee's employees shall be under Franchisee's day-to-day control in implementing and maintaining Franchisor's System standards and specifications in the operation of the Franchised Business. Franchisor does not control the forms of employment agreements Franchisee uses with its employees and is not responsible for Franchisee's labor relations or employment practices. Franchisee has sole responsibility and authority for Franchisee's labor relations and employment practices, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, and working conditions. Franchisee shall communicate clearly with its employees in any employment agreements, human resource manuals, written and electronic correspondence, paychecks, and other materials that Franchisee (and only Franchisee) is their employer and that CHHJ Franchising L.L.C., as franchisor of the College Hunks Hauling Junk® and College Hunks Moving® franchise system, is not their employer and does not engage in any employer-type activities (including those described above) for which only Franchisee is responsible.

9.15 Employee Training

Franchisee shall offer such continuing training programs to his/her managers 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

9.18.1 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.

9.18.2 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.

9.18.3 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 30 days within which to cure said default by bringing the capitalization of the Franchised Business up to required levels. Franchisee must, within said 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 may prescribe in the Manual from time to time.

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 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 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.

9.23 Forms of Payment

Franchisee agrees that the only forms of payment it may accept from clients are check and credit card, unless otherwise approved in writing by Franchisor, in its sole discretion. Franchisee understands and acknowledges that this restriction, including the restriction that neither Franchisee nor any of its employees may accept cash as a form of payment, is for the benefit and safety of Franchisee and its employees. Franchisee shall apply for and maintain, at its expense, any credit card, debit card and/or other non-cash payment systems that Franchisor periodically requires. Franchisor reserves the right to designate the vendor(s) and/or service provider(s) for such payment systems.

9.24 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 Vehicle(s)); 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 or designated by us in the Manual.

9.25 Business Entity

If Franchisee is, or at any time becomes, a Business Entity, Franchisee agrees and represents that:

9.25.1 Franchisee has the authority to execute, deliver and perform its obligations under this Agreement and is duly organized or formed and validly existing in good standing under the laws of the state of its incorporation or formation;

9.25.2 Franchisee's organizational or governing documents will recite that the issuance and transfer of any ownership interests in the Business Entity are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in Franchisee will bear a legend referring to the restrictions of this Agreement;

9.25.3 The Principal Owner's Statement attached hereto as Exhibit "H" completely and accurately describes all of Franchisee's owners and their respective interests in the Business Entity and lists each person who has voting or management rights and obligations. Franchisee agrees to promptly sign and deliver to Franchisor a revised Exhibit "I" to reflect any permitted changes in the information (no ownership changes may be made without Franchisor's prior written approval);

9.25.4 Each owner that is active in the Franchised Business or has legal or beneficial ownership of more than 10% or more of Franchisee's ownership interests (e.g., stock, membership interests, etc.) at any time during the term of this Agreement shall sign and deliver to Franchisor a Principal Owner's Guaranty in the form attached hereto as Exhibit "D," undertaking personally to be bound, jointly and severally, by all of the provisions of this Agreement and any related agreements between Franchisor and Franchisee;

9.25.5 Upon Franchisor's request, Franchisee shall promptly furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of Franchisee's owners and agents (like articles of incorporation/organization and partnership, operating or shareholder agreements).

ARTICLE X
INSURANCE

10.1 Insurance Coverages

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 1 or more policies of insurance containing minimum liability coverage of $1,000,000 per occurrence and $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 $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 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 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 $50,000 per Service Vehicle, regardless of the Service Vehicle's size or the amount of property being moved. We recommend, but do not require Franchisee to also obtain: (1) employee dishonesty insurance of not less than $10,000; and (2) a third-party dishonesty bond of not less than $10,000.

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 Obligation to Maintain Insurance Coverage

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 Reports of Losses

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 system-wide brand development fund (the "**Brand Development Fund**") for such brand development activities, materials and programs as Franchisor may deem necessary or appropriate. The responsibility for creation and administration of the Brand Development Fund shall remain with Franchisor. Online bookings as well as advertising and Promotional Activities (collectively, "**Promotional Activities**") conducted by the Brand Development Fund shall be funded by Brand Development Fees paid by Franchisee to Franchisor, and Franchisee agrees to participate in any Promotional Activities. Franchisor shall have the sole right to determine, in its sole discretion, the composition of all geographic and market areas for the implementation of advertising and Promotional Activities of the Brand Development Fund.

Franchisee's Brand Development Fees shall be placed in the Brand Development Fund, managed by Franchisor. Franchisor will spend the majority of contributions to the Brand Development 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 or personnel in relation to developing advertising. Franchisor may also spend a portion of the contributions to the Brand Development 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. Franchisor shall be entitled to: (i) reimburse itself out of the Brand Development Fund for the total costs (including indirect costs) of developing, producing, implementing and/or distributing any advertising programs or materials and collecting Brand Development Fees, including accounting, collection, bookkeeping, reporting and legal expenses incurred with respect to the administration and development of the Brand Development Fund; and (ii) charge the Brand Development Fund an administrative fee equal to 10% of the amounts actually expended to cover Franchisee's related services, salaries, supplies, and overhead expenses.

All sums paid by franchisees to the Brand Development Fund, and any income earned thereon, shall be accounted for separately and shall be used only for the purposes specified herein. Franchisee shall, upon his/her written request, receive on an annual basis within 120 days after the end of each fiscal year a report describing the activity of the Brand Development 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 Brand Development Fund. Franchisor shall not be liable for any act or omission with respect to the Brand Development Fund which is consistent with this Agreement or done in good faith.

The Brand Development Fund is not the Franchisor's asset. The Brand Development Fund is not a trust, and the Franchisor does not owe Franchisee fiduciary obligations because of the Franchisor's maintaining, directing or administering the Brand Development 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 Brand Development Fund in that year and the Franchisor may make loans to the Brand Development Fund (and the Brand Development Fund may borrow from the Franchisor or other lenders) bearing reasonable interest to cover any deficits of the Brand Development Fund or cause the Brand Development Fund to invest any surplus for future use by the Brand Development Fund. Any monies remaining in the Brand Development Fund at the end of any fiscal year shall carry forward to be spent in the next year. The Franchisor may incorporate the Brand Development 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 Brand Development 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 Brand Development 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 Brand Development 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 Brand Development Fund's expense. The Franchisor also may forgive, waive, settle and compromise all claims by or against the Brand Development 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 Brand Development Fund.

The Franchisor may at any time defer or reduce the Brand Development Fee of a Franchised Business, and upon 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 Brand Development Fund. If the Franchisor terminates the Brand Development 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 Brand Development Fund contributions during the preceding 12-month period. If Franchisor elects to reinstate the Brand Development Fund, any reinstated Brand Development 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 SLC'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 Business Ramp-Up Advertising

Franchisee shall provide Franchisor with a written plan, for Franchisor's approval, for a business commencement, launch and ramp-up advertising campaign (the "**Ramp-Up Campaign**") to be incurred in connection with the opening and initial operations of the Franchised Business and spend not less than $10,000 per service, per Zone on such Ramp-Up Campaign. The Ramp-Up Campaign for the move service shall be conducted within the first 180 days of the move service of the Franchised Business being open for business. The Ramp-Up Campaign for the junk removal service shall be conducted within the first 180 days of the junk removal service of the Franchised Business being open for business. Franchisee will conduct the Ramp-Up Campaign strictly in accordance with the programs specified by Franchisor. At Franchisor's option, it may require Franchisee to pay to Franchisor the amount for Franchisee's Ramp-Up Campaign, and Franchisor shall spend such money on Franchisee's behalf.

11.5 Local Advertising

In addition to the contributions to the Brand Development Fund described above, Franchisee shall also be required to spend no less than $1,500 for moving service advertisement, per Zone, and $1,100 for junk hauling advertisement, per Zone, or 8% of Gross Sales, whichever is greater, each month on local advertising and marketing. 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 First Contact Sales & Loyalty 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 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, than 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 advertise 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 2 or more Franchised Businesses are operating as an area in which to establish an advertising cooperative (the "**Cooperative**"). If a Cooperative is formed among franchisees within a region, the Cooperative must receive Franchisor's approval, which will not be unreasonably withheld. The Cooperative will conduct advertising campaigns for the Franchised Businesses located in that region. Contributions to a Cooperative are determined by majority vote of the Franchised Businesses in the Cooperative. Any amounts paid to a Cooperative will count as part of Franchisee's local advertising requirement; provided, however, that in the event any contribution to a Cooperative 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 will have 1 vote on Cooperative matters, regardless of the number of Zones owned by such Franchised Business. Subject to Franchisor's approval, the members of the Cooperative shall determine the contributions to be made to the Cooperative 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 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 3 Zones will pay 3 times the amount to be paid by a Franchised Business that has 1 Zone). In either case, the fee contribution shall not exceed 1/2 of Franchisee's local advertising requirement, unless otherwise agreed to by the unanimous vote of the members of the Cooperative.

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

11.7 Social Media Policy

Franchisee shall strictly comply, and ensure that it's owners and employees 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 accounting, 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, and shall be responsible for all costs associated therewith. In that connection, Franchisee must utilize the Franchisor's required standard chart of accounts and its specified accounting software program and version.

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 3rd and 18th 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. Such report shall include all revenue included in Gross Sales and such other revenues (for example, re-sales, consignments, scrap, recycle, etc.) as Franchisor may specify. For the report due to Franchisor on the 3rd of each month, the period on which the report is based shall include the 16th day of the previous month through the end of the previous month. For the report due to Franchisor on the 18th day of the month, the period on which the report is based shall include the 1st through 15th days of the current month;

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

(c) By the 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 required in this Agreement or the Manual within 3 business days of the due date, Franchisee shall pay a late reporting fee equal to $150, which will increase to $250 for any consecutive failure(s) to timely submit a report within 3 business days of its due date. 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.

12.3.4 If Franchisor is not satisfied with the timeliness, content, accuracy or sufficiency of Franchisee's reports or statements, then Franchisee must engage third party accounting services approved by Franchisor.

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 2% from amounts reported by Franchisee to Franchisor, Franchisee shall pay the amount of the deficiency or $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 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, plus interest charges. 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, this 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 Types of Confidential Information

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 Disclosure and Limitations on Use

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 Confidentiality Obligations

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 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 Directly or indirectly influence or attempt to influence any employee, officer, director, agent, representative, or contractor, of any other Franchised Business, to terminate or modify his, her or its position or relationship with their current respective employer (any other Franchised Business);

15.1.3 Directly or indirectly make statements, or take any other actions, which solicit, divert, recruit, take away or attempt to solicit, divert, recruit or take away any current employees of Franchisor or any another Franchised Business;

15.1.4 Directly or indirectly, persuade or entice, or attempt to persuade or entice any employee or consultant of another Franchised Business to terminate his/her employment or service relationship with the Franchised Business, participate in any manner in the formation of any competing business, or to do any other act that is inconsistent with the interests of the System;

15.1.5 Directly or indirectly, persuade or entice, or attempt to persuade or entice any employee to terminate, cancel, rescind or revoke its business or contractual relationships with any another Franchised Business, in whole or in part; or

15.1.6 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.

Notwithstanding the foregoing, if Franchisee is in need of additional employees for their Franchised Business and wants to ascertain the availability of an existing employee of another Franchised Business; Franchisee must first get written approval from the owner of the Franchised Business that employs said employee. If the other owner of the Franchises Business give their approval, then Franchisor will approve a general employment advertisement across the entire System, instead of targeting a certain Franchised Business' employee.

15.2 Post-Term Covenants

15.2.1 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 2 years thereafter (and in case of any violation of this covenant, for 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:

(a) Within a radius of 50 miles of Franchisee’s premises or Approved Location; or

(b) Within a radius of 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 15.2.1 shall be waived.

15.2.2 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 2 years thereafter (and in case of any violation of this covenant, for 2 years after the violation ceases), either directly or indirectly, make any disparaging or otherwise derogatory comments or statements, orally or in writing, including, without limitation, any e-mails, text messages or other form of communication, to others concerning the character or business practices of, or in any way tending to harm the reputation and standing of, Franchisor or its affiliates or their respective officers, directors, owners, employees, representatives, agents, successors or assigns. Notwithstanding the foregoing, the provisions of this Section 15.2.2 shall not prevent or restrict Franchisee from making any truthful statement in connection with any legal proceeding or investigation by any governmental authority.

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 5% 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 5% 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 17.3 hereof.

15.8 Liquidated Damages

If Franchisee or any of its owners fail 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 $10,000 for each violation. Franchisor reserves all other rights and remedies available to it, including the right to terminate this Agreement.

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 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 50% of the Franchised Business or the ownership or voting rights in Franchisee shall be deemed to be an "assignment" hereunder.

16.2.1 If the assignment is of this Agreement or a controlling interest in Franchisee or the Franchised Business, or is one of a series of transfers which in the aggregate constitute the transfer of this Agreement or a controlling interest in Franchisee or the Franchised Business, Franchisor's consent (such consent not to be unreasonably withheld) to the assignment shall be 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 $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 90 days after the death or incapacity of the Franchisee (or, if Franchisee is a corporation, limited liability company or a partnership, within 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 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 30 days after Franchisor's receipt of such notice (or, if Franchisor shall request additional information, within 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 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 $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 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 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 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 receipt of Franchisor's notice by Franchisee upon the occurrence of any of the following:

17.2.1 If Franchisee abandons the Franchised Business, altogether or a portion thereof, by failing to operate such business, or a portion thereof, for a period of 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 the Franchisee fails to obtain or maintain the insurance required by this Agreement.

17.2.5 If a third default by Franchisee occurs within any 12-month period, notwithstanding that a prior default was cured;

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

17.2.7 If Franchisee (or its Managing Owner) (i) fails to attend and successfully complete Franchisor's Training Program; (ii) fails to satisfactorily complete any required enrichment training; or (iii) fails on 2 or more occasions to attend the required Annual Meeting and such absences are not excused by Franchisor in writing.

17.3 Termination With Right to Cure

Except as otherwise provided in this Agreement, Franchisee shall have either 10 or 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 10 or 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 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, accurately or completely to submit financial or other information required by Franchisor under this Agreement and fails to cure such default within 10 days after receiving written notice, 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 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 22.1 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 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 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 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 30-day notice to cure;

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

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

17.4 Cross-Defaults, Non-Exclusive Remedies

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

For any violation of this Agreement or the standards and specifications contained in the Manual, Franchisor may assess Franchisee a non-compliance fee of up to $2,000 per occurrence, as outlined in the Manual (the "**Non-Compliance 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 SLC, including missed appointments or responding to calls within the required timeframe, whether or not initiated by the SLC, the Franchisor, or customers; (d) failure to timely and accurately report Gross Sales; (e) multiple customer service complaints; (f) respond to multiple customer service complaints within 24 hours; and (f) have all of its employees providing the Services present a neat and clean appearance and to wear the required uniform. The Non-Compliance Fee amounts for the various violations will be described in the Manual and will vary depending on the nature, type and frequency of non-compliance events, as determined by Franchisor in its sole discretion (with the amount increasing due to Franchisor's determination of significance, frequency and materiality). Franchisor reserves all other rights and remedies available to it under 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
POST-TERM OBLIGATIONS AND RIGHTS

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 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, equipment, 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 60 days from such termination or expiration to purchase all of Franchisee's right, title and interest in the Franchised Business (including, without limitation, equipment, Service Vehicles, 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) 10% 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 3 years in 36 equal monthly installments, the first monthly installment being made on the 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 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 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 $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 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. Franchisor may exercise its rights to acquire the lease or sublease for the Service Vehicle(s) even if Franchisor elects not to purchase the assets of the Franchised Business pursuant to Section 18.8 above. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Service Vehicle(s) under this Section 18.10, or to purchase the Service Vehicle(s) under Section 18.8, Franchisee shall make such modifications or alterations to the Service Vehicle(s) as are necessary to remove all signage and obliterate all Proprietary Marks to Franchisor's reasonable satisfaction.

18.11 Liquidated Damages

Upon termination of this Agreement by Franchisor for cause, Franchisee agrees to pay to Franchisor within 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 12 months immediately preceding termination multiplied by (a) 24, being the number of months in 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 damage provision to be a reasonable, good faith pre-estimate of those damages. The parties hereto further acknowledge and agree that this liquidated damage 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 Modification of System Standards

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 7 years, depending on the age and condition of said Service Vehicle.

19.2 Waiver

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
FIRST CONTACT SALES & LOYALTY CENTER

20.1 Engagement

During the term of this Agreement, Franchisor or its designee (the "**SLC**") shall provide to Franchisee the First Contact Sales & Loyalty Center Services described below.

20.2 First Contact Sales & Loyalty Center Services

During the Term, the Franchisor or its designee shall provide to the Franchisee such of the following services (collectively, the "**SLC Services**"):

20.2.1 The SLC 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 SLC 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." Franchisee may log into Franchisor's company database to view Franchisee's work orders at any time. Franchisor and 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 SLC 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 SLC 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 SLC 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 SLC shall manage and orchestrate any promotional programs designated by the Franchisor.

20.2.4 SLC Services shall not include legal and accounting services.

20.2.5 The SLC will provide performance reports for business improvement purposes.

20.2.6 The SLC 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

During the Term, except in full compliance with Section 9.9 above, Franchisee shall at all times refer all jobs and inquiries for jobs to the SLC for both scheduling and follow-up. Franchisee shall not perform any jobs that have not been provided to the SLC. Franchisee is required to attempt to complete all jobs and/or appointments that are scheduled by the SLC for Franchisee, including emergency and non-emergency inquiries. The SLC will request that Franchisee follow-up with a client or potential client, and Franchisee shall report to the SLC the results of such follow-up. Franchisee shall keep the SLC apprised of the status of each job, appointment, inquiry, and/or follow-up.

20.4 Limitations

20.4.1 <u>Liability</u>. THE FRANCHISOR MAKES NO REPRESENTATIONS, WARRANTIES OR GUARANTEES, EITHER EXPRESS OR IMPLIED, CONCERNING THE SLC 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 SLC SERVICES DURING THE 12-MONTH PERIOD PRECEDING THE INCIDENT GIVEN RISE TO THE CLAIM FOR DAMAGES, IN NO EVENT TO EXCEED AN AGGREGATE OF $37,500. 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 SLC SERVICES PROVIDED HEREUNDER UNLESS SUCH DAMAGE IS CAUSED BY THE WILLFUL MISCONDUCT OF THE FRANCHISOR.

20.4.2 <u>Remedies</u>. 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 SLC SERVICES PROVIDED HEREUNDER, **THE FRANCHISEE'S SOLE REMEDY SHALL BE REFUND OF A PRO RATA PORTION OF THE PRICE PAID FOR SCL 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 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 <u>Failure of an Exclusive Remedy</u>. 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 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, un-appealable 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 non-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 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 in 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 exercises 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 Mediation. During the term of this Agreement, certain disputes may arise between Franchisee and Franchisor that may be resolvable through mediation. To facilitate such resolution, you and we agree that each party must, before commencing any arbitration proceeding, submit the dispute for non-binding arbitration at a mutually agreeable location (if you and we cannot agree on a location, the mediation will be conducted at our headquarters) to one mediator, appointed under the American Arbitration Association's Commercial Mediation Rules. The mediator will conduct a mediation in accordance with such rules. You and we agree that any statements made by either you or us in any such mediation proceeding will not be admissible in any subsequent arbitration or other legal proceeding. Each party will bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate. Nevertheless, both you and we have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. However, the parties must immediately and contemporaneously submit the dispute for non-binding mediation. If any dispute between the parties cannot be resolved through mediation within 45 days following the appointment of a mediator, the parties must submit the dispute to arbitration subject to the following terms and conditions.

21.6.2 Agreement to Arbitrate. Except for claims (as defined below) related to or based on the marks (which at our sole option may be submitted to any court of competent jurisdiction) and except as otherwise expressly provided by section 21.6.5 of this Agreement, any litigation, claim, dispute, suit, action, controversy, proceeding or otherwise ("**Dispute**") between or involving you and us (and/or involving you and/or any claim against or involving any of our or our affiliates' shareholders, directors, partners, officers, employees, agents, attorneys, accountants, affiliates, guarantors or otherwise), which are not resolved within 45 days of notice from either you or we to the other, will be submitted to arbitration to the office of the American Arbitration Association closest to our headquarters. The arbitration will be conducted by the American Arbitration Association pursuant to its commercial arbitration rules. All matters relating to arbitration will be governed by the federal arbitration act (9 U.S.C. §§1 et seq.) And not by any state arbitration law. The parties to any arbitration will execute an appropriate confidentiality agreement, excepting only such disclosures and filings as are required by law.

21.6.3 Place and Procedure. The arbitration proceedings will be conducted at a location in the metropolitan area in which our headquarters is located. Any dispute and any arbitration will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. Any such arbitration proceeding will not be consolidated with any other arbitration proceeding involving any other person, except for disputes involving affiliates of the parties to such arbitration. The parties agree that, in connection with any such arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by rule 13 of the federal rules of civil procedure) within the same proceeding as the dispute to which it relates. Any such dispute which is not submitted or filed in such proceeding will be barred.

21.6.4 Awards and Decisions. The proceedings will be heard by one arbitrator. The arbitrator will have the right to award any relief which he deems proper in the circumstances, including, for example, money damages (with interest on unpaid amounts from their due date(s)), specific performance, temporary and/or permanent injunctive relief, and reimbursement of attorneys' fees and related costs to the prevailing party. The arbitrator will not have the authority to award exemplary or punitive damages except as otherwise permitted by this agreement, nor the right to declare any mark generic or otherwise invalid. You and we agree to be bound by the provisions of any limitations or the time on which claims must be brought under applicable law or under this agreement, whichever expires earlier. The award and decision of the arbitrator will be conclusive and binding and judgment on the award may be entered in any court of competent jurisdiction. The parties acknowledge and agree that any arbitration award may be enforced against either or both of them in a court of competent jurisdiction and each waives any right to contest the validity or enforceability of such award. Without limiting the foregoing, the parties will be entitled in any such arbitration proceeding to the entry of an order by a court of competent jurisdiction pursuant to an opinion of the arbitrator for specific performance of any of the requirements of this agreement. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and non-appealable.

21.6.5 Specific Performance. Nothing in this agreement will prevent either you or we from obtaining temporary restraining orders and temporary or preliminary injunctive relief in a court of competent jurisdiction. However, you and we must contemporaneously submit the dispute for arbitration on the merits.

21.6.6 Third Parties. The arbitration provisions of this agreement are intended to benefit and bind certain third party non-signatories, and all of yours and our principal owners and affiliates.

21.6.7 Survival. This provision continues in full force and effect subsequent to and notwithstanding the expiration or termination of this agreement for any reason.

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 irrevocable 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 1 year from the date Franchisee or the Franchisor knew or should have known of the facts giving rise to such claims.

21.14 Private Disputes

Any dispute and any litigation or legal proceedings will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. Any such proceeding will not be consolidated with any other proceeding involving any other person, except for disputes involving affiliates of the parties to this Agreement.

21.15 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 50% of the equity or voting control of Franchisee. The term "**affiliate**" means any Business Entity directly or indirectly owned or controlled by a person, under common control with a person or controlling a person. 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. The word "**control**" means the power to direct or cause the direction of management and policies. The word "**owner**" means any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in another person (or a transferee of this Agreement), including any person who has a direct or indirect interest in Franchisee or this Agreement and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets of the Franchisee and/or the Franchised Business.

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.

21.16 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 60th month of operation of the Franchised Business on the following terms and conditions. Nothing in this Article shall require Franchisor to exercise the buyback 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 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 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 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 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 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 arm's 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.

22.2 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 misunderstanding 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 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 will be deemed to have been duly given or made if (a) delivered in person or by commercial airborne courier service (including by FedEx, UPS or other nationally recognized courier); (b) deposited in the United States mail, first-class postage prepaid, certified mail, return receipt requested; or (c) delivered by e-mail (with a confirming copy delivered by commercial airborne courier service). If intended for Franchisor, the notice shall be addressed to it at 1513 East 9th Avenue, Tampa, Florida 33605. If intended for Franchisee, the notice shall be addressed to Franchisee at the address set forth on page one. For notices sent to a party via e-mail, the notice shall be sent to the most recent e-mail address on file and need not indicate or include a physical mailing address within the e-mail. Either party may change its address for notice purposes by giving the other party written notice, as herein provided, of such change. Franchisee agrees that Franchisor's revisions to the Manual or issuance of directives shall not be considered "notices" under this Agreement, and Franchisor may issue such revisions or directives by any manner it chooses, including, without limitation, e-mail.

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.

23.6 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 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.

23.10 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, Service Vehicles, 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

24.2.1 The Security Interest is to secure payment of the following (the "Indebtedness"):

(a) All amounts due under this Agreement or otherwise by Franchisee;

(b) 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;

(c) 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

(d) 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.

24.2.2 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, any real property mortgage, equipment leases, and Service Vehicles leases or financing; provided, however, that Franchisor may require Franchisee and any lender or lessor to execute an intercreditor and subordination agreement, in form satisfactory to Franchisor, containing any or all of the following provisions, as determined by Franchisor:

(a) a provision which requires any lender or mortgagee concurrently to provide Franchisor with a copy of any written notice of deficiency or default under the terms of the loan or mortgage sent to Franchisee or its affiliates;

(b) a provision granting Franchisor, at its option, the right (but not the obligation) to cure any deficiency or default under the loan or mortgage should Franchisee (or its affiliate) fail to do so, within 10 days after the expiration of any period in which Franchisee (or its affiliate) may cure such default or deficiency; and

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

24.2.3 Prior to their execution, Franchisee shall provide Franchisor with copies of any proposed financing agreements related to Franchisee's operation of the Franchised Business, including, but not limited to, any real property mortgage, equipment leases, or Service Vehicle leases or financing documents. Franchisee shall not sign any proposed financing agreements or contracts until Franchisor has consented to such financing agreements in writing, which consent will not be unreasonably withheld but which consent may be conditioned on Franchisee's and the lender's or lessor's execution and delivery to Franchisor of an intercreditor and subordination agreement pursuant to Section 24.2.2 above.

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:_____________________________________

<u>EXHIBIT "A"</u>

TO CHHJ FRANCHISING L.L.C. FRANCHISE AGREEMENT

<u>LOCATION OF FRANCHISE</u>

____

____

____

____

ZONES ENCOMPASSING THE DESIGNATED TERRITORY

The following are the Zone(s) 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 and will then supersede and replace this Exhibit "A" in its entirety.

Zone 1:

Zone 2:

Zone 3:

Zone 4:

Accepted and agreed this_____day of___________, 20_

CHHJ FRANCHISING L.L.C.

By:_______________________________________
Name:_____________________________________
Title:______________________________________

FRANCHISEE

____

By:_______________________________________
Name:_____________________________________
Title:______________________________________

EXHIBIT "B"

TO 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 4411 West Tampa Bay Boulevard, Tampa, Florida 33614, 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 Franchisor's interest in the System and the Proprietary Marks, 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 1SP 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**: Franchisee will indemnify and hold Franchisor and its 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, Franchisee's breach of any of the terms of any agreement or contract or the nonpayment of any debt Franchisee has 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 Franchisee may have with the Telephone Company and/or ISP.

7. **Attorney's Fees**: 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:______________________________________
Dated:_____________________________________

By:_______________________________________
Print Name:________________________________
Title:______________________________________
Dated:_____________________________________

By:_______________________________________
Print Name:________________________________
Title:______________________________________
Dated:_____________________________________

ASSIGNEE:

CHHJ FRANCHISING L.L.C.

By:_______________________________________
Print Name:________________________________
Title:______________________________________
Dated:_____________________________________

EXHIBIT "C"

TO 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 Franchise 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.

GUARANTORS

____
Print Name:________________________________
Date:_____________________________________

____
Print Name:________________________________
Date:_____________________________________

____
Print Name:________________________________
Date:_____________________________________

<u>EXHIBIT "D"</u>

TO CHHJ FRANCHISING L.L.C. FRANCHISE AGREEMENT

<u>AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS)</u>

____ (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 60 days after Franchisor has received written notification from Franchisee of its termination.

____
Depositor

By:_________________________________

Name:_______________________________

Title:________________________________

Date:________________________________

EXHIBIT "E"

TO 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 "F"

TO CHHJ FRANCHISING L.L.C. FRANCHISE AGREEMENT

PRINCIPAL OWNER'S STATEMENT

This form must be completed by the Franchisee ("**I**," "**me**," or "**my**") if I have multiple owners or if I, or my franchised business, is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Franchise Agreement to me.

1. **Form of Company**. I am a (check one):

(a) General Partnership ☐
(b) Corporation ☐
(c) Limited Partnership ☐
(d) Limited Liability Company ☐
(e) Other ☐
Specify: __________________________

I was formed under the laws of____________________________.
(state)

2. **Business Entity.** I was incorporated or formed on__________________, under the laws of the State of_. I have not conducted business under any name other than my corporate, limited liability company or partnership name and____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

Name of Person	**Position(s) Held**

3. **Owners**. The following list includes the full name and mailing address of each person who is one my owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owner's Name and Address	Description of Interest	% of Ownership

4. **Managing Owner**. The Managing Owner (as defined in Section 9.4 of the Franchise Agreement) is__(must be one of the individuals listed in paragraph 3 above). I understand that I may not change the Managing Owner without Franchisor's prior written approval.

5. **Governing Documents**. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Principal Owner's Statement is current and complete as of________________.

OWNER

INDIVIDUALS:

Sign:____________________________________

Print:____________________________________

Sign:____________________________________

Print:____________________________________

Sign:____________________________________

Print:____________________________________

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP:

____
[Name]

By:______________________________________
Print Name:______________________________
Title:____________________________________

EXHIBIT "G"

TO CHHJ FRANCHISING L.L.C. FRANCHISE AGREEMENT

ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

This Addendum to the Franchise Agreement between CHHJ Franchising L.L.C. ("Franchisor") and __________________________ ("Franchisee") is dated _________________, 20__. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

1. 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.

2. Illinois law governs the Franchise Agreement.

3. 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 the Franchise Agreement are amended accordingly.

4. 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 the Franchise Agreement are amended accordingly.

5. 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.

6. 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.

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.

8. Article 22 of the Franchise Agreement and Item 12 of the Disclosure Document is amended to comply with Section 20 of the Act which states that "it shall be a violation of this Act for a franchisor to refuse to renew a franchise of a franchised business located in this State without compensating the franchisee either by repurchase or by other means for the diminution in the value of the franchised business caused by the expiration of the franchise where: (a) the franchisee is barred by the franchise agreement (or by the refusal of the franchisor at least 6 months prior to the expiration date of the franchise to waive any portion of the franchise agreement which prohibits the franchisee) from continuing to conduct substantially the same business under another trademark, service mark, trade name or commercial symbol in the same area subsequent to the expiration of the franchise; or (b) the franchisee has not been sent notice of the franchisor's intent not to renew the franchise at least 6 months prior to the expiration date or any extension thereof of the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this______day of________, 20____.

FRANCHISEE

By:_____________________________________
Name:___________________________________
Title:____________________________________
Dated:___________________________________

CHHJ FRANCHISING L.L.C.

By:_____________________________________
Name:___________________________________
Title:____________________________________
Dated:___________________________________

ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND

This Addendum to the Franchise Agreement between CHHJ Franchising L.L.C. ("Franchisor") and __________________________ ("Franchisee") is dated _________________, 20__. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

1. 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.).

2. 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.

3. 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 "I" to the Disclosure Document, and the Franchise Agreement are amended to comply with this provision.

4. 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 have duly executed, sealed and delivered this Addendum dated this______day of_______________, 20__.

FRANCHISEE

By:______________________________________
Name:____________________________________
Title:_____________________________________
Dated:____________________________________

CHHJ FRANCHISING L.L.C.

By:______________________________________
Name:____________________________________
Title:_____________________________________
Dated:____________________________________

ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA

This Addendum to the Franchise Agreement between CHHJ Franchising L.L.C. ("Franchisor") and _________________________ ("Franchisee") is dated _________________, 20__. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

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:

"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 Franchise 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:

"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:

"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:

"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 have duly executed, sealed and delivered this Addendum dated this______day of________________, 20__.

FRANCHISEE

By:_______________________________________
Name:_____________________________________
Title:______________________________________
Dated:_____________________________________

CHHJ FRANCHISING L.L.C.

By:_______________________________________
Name:_____________________________________
Title:______________________________________
Dated:_____________________________________

ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NEW YORK

This Addendum to the Franchise Agreement between CHHJ Franchising L.L.C. ("Franchisor") and _________________________ ("Franchisee") is dated _________________, 20__. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2 or an affiliate offering franchises under the franchisor's principal trademark:

(A) No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.

(B) No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

(C) No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise; antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; unfair or deceptive practices; or comparable allegations.

(D) No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added at the end of Item 4:

Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the Franchise 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 1 year after the officer or general partner of the Franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate this agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" section of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum dated this______day of________________, 20__.

FRANCHISEE

By:_______________________________________
Name:_____________________________________
Title:_____________________________________
Dated:_____________________________________

CHHJ FRANCHISING L.L.C.

By:_______________________________________
Name:_____________________________________
Title:_____________________________________
Dated:_____________________________________

ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF NORTH DAKOTA

This Addendum to the Franchise Agreement between CHHJ Franchising L.L.C. ("Franchisor") and ________________________ ("Franchisee") is dated ________________, 20__. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

1. Precedence and Defined Terms. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. Grant of Successor Franchise. You are not required to sign a general release as to any matters coming under the North Dakota Franchise Investment Law (the "ND Law").

3. Post-Term Competitive Restrictions. Covenants not to compete, such as those mentioned in this section, are generally unenforceable in the State of North Dakota.

4. Jurisdiction. All matters coming under the ND Law may be brought in the courts of North Dakota.

5. Waiver of Punitive Damages and Jury Trial. Paragraphs 22(d) and 22(c) of the Franchise Agreement are deleted in their entirety.

6. Limitation of Claims. The statute of limitations under ND Law applies to all matters coming under ND Law.

7. Governing Law. This Agreement will be governed by North Dakota law.

8. Exercise of Rights. This paragraph is deleted insofar as it requires you to consent to liquidated damages.

9. Agreement to Arbitrate. All matters coming under North Dakota Law will be submitted to arbitration at a mutually agreeable location.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum dated this______day of________________, 20__.

FRANCHISEE

By:_______________________________________
Name:_____________________________________
Title:______________________________________
Dated:_____________________________________

CHHJ FRANCHISING L.L.C.

By:_______________________________________
Name:_____________________________________
Title:______________________________________
Dated:_____________________________________

ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF RHODE ISLAND

This Addendum to the Franchise Agreement between CHHJ Franchising L.L.C. ("Franchisor") and _________________________ ("Franchisee") is dated _________________, 20__. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

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 have duly executed, sealed and delivered this Addendum dated this______day of_______________, 20__.

FRANCHISEE

By:_____________________________________
Name:___________________________________
Title:____________________________________
Dated:___________________________________

CHHJ FRANCHISING L.L.C.

By:_____________________________________
Name:___________________________________
Title:____________________________________
Dated:___________________________________

ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WASHINGTON

This Addendum to the Franchise Agreement between CHHJ Franchising L.L.C. (“Franchisor”) and _________________________ (“Franchisee”) is dated _________________, 20__. Capitalized terms not defined in this Addendum have the meanings given in the Franchise Agreement. Notwithstanding anything which may be contained in the Franchise Agreement to the contrary, the Franchise Agreement is amended to include the following:

1. 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.

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

3. 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.

4. 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 have duly executed, sealed and delivered this Addendum dated this______day of_______________, 20__.

FRANCHISEE

By:_________________________________
Name:_______________________________
Title:________________________________
Dated:_______________________________

CHHJ FRANCHISING L.L.C.

By:_________________________________
Name:_______________________________
Title:________________________________
Dated:_______________________________

EXHIBIT D TO THE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES AS OF DECEMBER 31, 2017

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
Alabama	Donna Coyne 237 Oxmoor Circle Suite 109 Homewood, AL 35209	1	Birmingham	256-604-9383
Alabama	John Smith 7587 Highway 72 West Unit A Madison, AL 35758	1.5	Huntsville	256-603-4484
Arizona	Scott and Lori Harvin 1050 N. Fairway Dr. Suite B-110 Avondale, AZ 85323	2.5	West Phoenix	973-202-7933 973-208-7010
Arkansas	Nolen Hughes 1519 S. Woodrow Street Little Rock, AR 72204	1	Little Rock	501-960-0162
California	Aaron Kube 1201 E Chestnut Ave., Ste. M Santa Ana, CA 92701	3	Irvine	510-755-4830
California	Arpine Takhmazyan 10100 San Fernando Rd. Pacoima, CA 91331	4	Los Angeles	818-653-8545
California	Joe Silva 1400 Coleman Ave. Ste. D11 Santa Clara, CA 95050	2	San Francisco/San Jose	831-673-1225
California	Jorge Marquez 3520-H Haven Avenue Redwood City, CA 94063	1	Palo Alto	561-235-8611
California	Rob Rudow 23 Beta Court Suite A San Ramon, CA 94583	3	San Francisco East	925-708-9566
Colorado	Boris and Kelly Katsnelson 1288 S Santa Fe Drive Denver, CO 80223	4	Denver	720-608-6090 301-385-3727
Colorado	Keven Elwood 3119A N El Paso St. Colorado Springs, CO 80907	2	Colorado Springs	719-660-5477

Colorado	Mike Slater 7100 Broadway Bldg 1-O Denver, CO 80221	3	Denver North	303-525-4423
Connecticut	Robert Brockenberry 380 Boston Post Rd. Orange, CT 06477	3	Connecticut East	203-306-7097
Delaware	Brian Gonyo and Keerthi Reddy 1243 Old Coochs Bridge Road Newark, DE 19713	2	Dover	518-409-5324
Florida	Jeffrey Sexton 500 North Drive Ste. 15 Melbourne, FL 32934	1	Brevard County	407-761-5939
Florida	Richard Tommer and Gary Cook 2701 Hollywood Blvd. Hollywood, FL 33020	3	Fort Lauderdale	954-770-2583
Florida	Bryan & Lisa Tully 6900 Phillips Highway, Suite 22 Jacksonville, FL 32216	3	Jacksonville	916-458-1351
Florida	Rick and Trent Lott 622 South Collins St. Plant City, FL 33563	3	Lakeland	813-267-3005 813-830-8780
Florida	Joby Pallipatte 3045 Davis Blvd. Naples, FL 34104	1	Naples	239-777-9175
Florida	Bill McKay 6270 Edgewater Drive Suite 3600 Orlando, FL 32810	6	Orlando	407-718-2599
Florida	Barry Reiss 1700 Depot Ave. Ste. 1 Delray Beach, FL 33444	6	Palm Beach County/North Broward	561-602-5009
Florida	Bret and Ryan Bailey 3080 N. Washington Blvd. Rear Unit #29 Sarasota, FL 34234	2	Sarasota	586-596-0321 586-651-8180
Florida	Brandan Underwood and Acey Ignacio 4895 47TH Ave. N St. Petersburg, FL 33714	3	St. Petersburg	813-422-0334 813-503-2700
Georgia	Roger Panitch 6670 Corners Industrial Ct, Ste. A Norcross, GA 30092	4	Atlanta	404-849-2016
Georgia	Bill Castle 3350 Clarkston Industrial Blvd. E Clarkston, GA 30021	2	Atlanta East	404-561-4075

Georgia	Jeffrey Barron 382 Senoia Road, Unit B1 Tyrone, GA 30290	1	Newnan Peachtree City	478-714-0637
Georgia	Richard Purgason 5044 B U Bowman Dr #105 Buford, GA 30518	3	Atlanta Northeast	770-654-4289
Georgia	Jennifer and Norbert J. Schmeidler III 2070 Attic Parkway NW Suite 204 Kennesaw, GA 30152	1	Atlanta West	678-788-5511
Iowa	Kyle Lynch 10500 Hickman Road, Suite H Clive, IA 50325	1	Des Moines	515-321-9027
Idaho	Scott Baker 2163 S Centurion Place Boise, ID 83709	1.5	Boise	208-859-3010
Illinois	Jordan Rothberg 770 North Halsted, Suite 101 Chicago, IL 60642	3	Chicago	516-815-2121
Illinois	Matt Johnson 1641 Wickham Court Libertyville, IL 60048	3	Lake County	847-494-0533
Illinois	Bradley Gummow and Scarlett Dornbrook 6813 N 2nd Street Machesney Park, IL 61115	1	Rockford	608-345-3154
Indiana	Wesley Snyder 8070 Castleton Road Indianapolis, IN 46250	2	Indianapolis	317-513-2756
Kansas	Shawn Lampson 2819 N 77th Street Kansas City, KA 66204	3.5	Kansas City	913-515-5521
Kentucky	Martha Vaughn 125 Trade Street, Suite H Lexington, KY 40511	1.5	Lexington	859-312-1720
Kentucky	William Martin 105 Daventry Lane #302 Louisville, KY 40223	1	Louisville	502-417-2929
Maryland	Raymond Bradshaw 8019 Belair Rd. Unit 20 Nottingham, MD 21236	2	Baltimore	443-250-9396
Maryland	John Bates 2012 Renard Ct. Ste. L Annapolis, MD 21401	2	Anne Arundel	301-335-2385

Maryland	Dana Burton 401 Center Street, Suite 103 Mount Airy, MD 21211	2	Howard County	410-446-8461
Maryland	Christian Betancourt and Huyustus Fortun 7830 Penn Western Court Upper Marlboro, MD 20772	1	Prince George's County	305-608-8825 517-699-4170
Massachusetts	Dan Tereshko 61 Endicott St. Bldg. 25 Norwood, MA 02062	2	Boston South	774-262-7303
Michigan	Dan Ryan and Patrick Lipa 906 W. 11 Mile Road Madison Heights, MI 48071	2	Detroit	586-713-3355
Michigan	Zak and Angie Hawley 3329 Lapeer Rd. Flint, MI 48503	4	Flint	810-247-2542
Michigan	Mark T. Cusack 4635 28th Street, SEA Grand Rapids, MI 49512	2	Grand Rapids	616-824-1881
Michigan	Chad Jacob 5162 South Sprinkle Road Portage, MI 49002	1	Kalamazoo	269-998-9898
Michigan	Clark Burkle and Bill Millbrandt 1200 East Oakland Ave. Lansing, MI 48906	1	Lansing	517-420-6490 269-591-9191
Minnesota	James (Skip) Christiansen 17471 Kenwood Trail. Lakeville, MN 55044	1	Minneapolis	651-357-5843
Minnesota	Jeremy Knospe 650 Brakke Drive #106 Hudson, WI 54016	1	St. Paul East	715-716-0408
Mississippi	Carl & Jennifer Carter 810 Foley Street Jackson, MS 39202	1	Jackson	601-345-8195
Missouri	Gary W. Bussard 1033 Corporate Square Drive St. Louis, MO 63132	2	St. Louis	314-283-0098
New Jersey	Andy and Ruben Garcia 1275 Bloomfield Ave. Unit 47 Fairfield, NJ 07004	6	Fairfield	973-557-7456 862-668-5007
New Jersey	Paul Meyler 625 Jersey Avenue, Unit 6 New Brunswick, NJ 08901	2	New Brunswick	908-217-1641

New Jersey	Nancy Ziatyk 67 Vliet Dr. Hillsborough, NJ 08844	2	Somerset	908-307-2757
New York	Steven Nickels and Ted Panebianco 160 Wilbur Place #300 Bohemia, NY 11716	9	Long Island	516-236-9382 813-748-6337
New York	Thomas Yewdell 39 Davenport Street Stanford, CT 10801	3	Westchester, Yonkers, New York and Stamford, Connecticut	203-817-0400
North Carolina	Daniel Church and Michael Fox 1150 Crews Road Matthews, NC 28105	3	Charlotte	704-430-7567 704-688-5704
North Carolina	Anthony Auman 2 Centerview Drive Greensboro, NC 27407	1	Greensboro	336-460-0785
North Carolina	Steven Roper 8810 Westgate Park Dr. Ste. 114 Raleigh, NC 27617	3	Raleigh/Durham	919-247-0481
Nebraska	Tom Hughes 3312 Madison Avenue Lincoln, NE 68504	2	Lincoln/Omaha	402-419-6202
Ohio	Matt Swanson 1316 Windward Drive Mason, OH 45242	2	Cincinnati	513-594-5472
Ohio	Dan Loughridge 4500 Lee Road Cleveland, OH 44128	2	Cleveland	216-394-8392
Ohio	Jeff Arpin 3999 Parkway Lane, Unit #9 Hilliard, Ohio 43214	1.5	Columbus	614-506-1533
Ohio	Jeff and Cheri Tietjen 652 Central Ave. Ste. 27 Delaware, OH 43015	4	Delaware, Ohio and Columbus (East), Ohio	740-816-5165
Oklahoma	Geary Welch 13509 Railway Dr. Suite A Oklahoma City, OK 73114	3	Oklahoma City	405-315-8530
Oregon	Morgan Parker 62987 Plateau Dr. Unit 4 Bend, OR 97701	1	Bend	218-779-0612
Oregon	Chuck Lombardo 10170 SW Nimbus Avenue, Suite H-4 Portland, OR 87223	2	Portland	503-705-5759

Pennsylvania	Laura Charles 3812 William Flynn Highway, Building 14 Allison Park, PA 15101	2	Pittsburgh West	724-502-4035
Pennsylvania	Andrew and C. Gregg Lawrie 326 West Cedar Street, Suite 4 Kennet Square, PA 19348	1	South Chester	484-731-4160
Pennsylvania	Cos and Mary Anne Losco 2880 Bergey Rd. Ste. E Hatfield, PA 19440	2.5	Bucks County	215-327-1891 215-327-1946
Pennsylvania	Mark Potosky 4075 East Market Street York, PA 17368	2	Central Pennsylvania	717-940-8240
Pennsylvania	Michael Ort 316 E Union St. West Chester, PA 19382	3	Philadelphia	717-903-6433
South Carolina	Bradley Simmons 293 Bay Street Charleston, SC 29401	1.5	Charleston	276-608-3485
South Carolina	Guillermo Hernandez 3545 Centre Circle, Suite A Fort Mill, SC 29715	1	Fort Mill	704-619-0310
Myrtle Beach	John Brown 3229 Argent Boulevard, Suite D Ridgeland, SC 29936	1	Hilton Head	843-816-7179
South Carolina	Michael Smith 1254 3rd Avenue South Myrtle Beach, SC 29577	1	Myrtle Beach	843-267-8846
Tennessee	Chris Carpenter 156 West End Ave. Knoxville, TN 37934	1.5	Knoxville	865-919-7321
Tennessee	Patrick Lombardi 443 McNally Dr. Nashville, TN 37211	3	Nashville	615-946-7068
Texas	Shawnn Lampson, Sean Helmer, Justin Henry, and Randy Blundell 1120 W Howard Ln. Ste. 1 Austin, TX 78753	4	Austin	512-740-8608 816-813-3553 913-850-0312
Texas	Trini Gonzalez 2430 West Cardinal Drive, Suite G Beaumont, TX 77705	1	Beaumont	409-201-9815
Texas	Corey Gaither and Amber Bush 7900 Rodeo Trail # 160 Mansfield, TX 76063	1	Ft. Worth	817-500-3708 817-500-3709

Texas	Jeff Wood 14090 FM 2920 Ste G-325 Tomball, TX 77377	4	Houston	832-515-1531
Texas	David and Barbara Betzko 6040 W. Park Dr./Tollway Ste #E001 Houston, TX 77057	2	Houston Central	832-721-8791 281-682-1215
Texas	Jim Wright 15891 Interstate 45 South Conroe, TX 77385	3	Houston Northeast	832-472-7028
Texas	Daniel Winders 2911 East Broadway Suite #201 Pearland, TX 77581	3	Houston South	713-922-3598
Texas	Shaun Leudecke 4707 Highway 36, Suite 49 Rosenberg, TX 77471	2	Houston Southwest	832-452-1579
Texas	Dave Steinman 3100 Independence Pkwy. Ste. 201 Plano, TX 75075	2	Plano	214-417-7307
Texas	Jill Lauderdale 7515 Grissom Rd. Unit 104 San Antonio, TX 78251	1	San Antonio West	210-422-7333 210-241-3563
Utah	Trent Bice 5320 Wells Park Road, Unit 6 West Jordan, UT 84081	1	Salt Lake City Southwest	208-407-2722
Virginia	Brad Westermann 2842 Stuart Drive Falls Church, VA 22042	5	Arlington	703-608-7920
Virginia	James and Laurence Mann 819 B Albermarle Street Charlottesville, VA 22902	1	Charlottesville	276-623-6598
Virginia	Rodney Braziel P. O. Box 4182 Midlothian, VA 23113	2	Richmond	804-543-0355
Virginia	Tom Bakke and Parke Atkinson 4904 Rutherford Road Suite 101 Virginia Beach, VA 23455	3	Virginia Beach	703-851-9224 757-709-1990
Virginia	Stephen Arvoy 120 Agape Way Stephens City, VA 22655	2	Virginia Northwest	540-877-7901
Washington	Karin and Magnus Olason 8128 20th Avenue SW Seattle, WA 98106	2	Seattle Central	206-919-2902 206-482-7454

Wisconsin	Alex Biggam, Justin Coenen, Brian Jones, and Joe Nummerdor 11800 W. Ripley Ave Wauwatosa, WI 53226	2	Milwaukee	414-617-1331 414-704-0665 414-704-0785
Wisconsin	Bradley Gummow and Scarlett Dornbrook 4123 Terminal Drive McFarland, WI 53558	1	Madison	608-345-3154

FRANCHISEES NOT YET OPEN
AS OF DECEMBER 31, 2017

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
Florida	Kasper Norkus and Jessica Cockreham*	1	Fort Myers	239-410-4090 239-410-4818
Illinois	Tim Ibraimi 16308 S. 107th Avenue, Suite 6 Orland Park, IL 60467	1	South Chicago	708-769-5050
North Dakota	Peggy Biss, Craig Biss, and Kent Fronk 5171 51st Avenue S. Fargo, ND 58104	1	Fargo	541-390-0414 541-480-7484 701-320-0949
Washington	Ryan Evans, Heather Evans, Brandon Christian, and Autumn Christian*	1	Tacoma	253-370-6111

* No business address yet.

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, 2017 OR WHO HAVE NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF THE DATE OF THE DISCLOSURE DOCUMENT

State	Franchisee Name	No. of Zones	City / Location	Telephone No.	Terminated, Cancelled, Not Renewed, Transferred, Other
Arizona	Edward Neumayr	6	Phoenix, Arizona	480-512-2139	Not Renewed
Virginia	Donnie Tolson	2	Fredericksburg, Virginia	540-371-3070	Cancelled
Michigan	Gloria Beckley	2	Novi, Michigan	313-528-2818	Cancelled
Florida	Robert Gleghorn	2	Tampa, Florida	727-686-0289	Cancelled

EXHIBIT F TO THE DISCLOSURE DOCUMENT
TABLE OF CONTENTS OF OPERATIONS MANUAL

Appendix: Job Description

V: Managing and Training Staff

<u>CREW TRAINING CHECKLIST</u>

New Hire Paperwork

I: Introduction

II. Ground Zero Client Service

III. Our Brand and Your Responsibilities

Appendix

MOVING MANUAL

I. “Moving” Into the Future

SALES AND MARKETING

I. New Location Opening

II. Planning Tools

III. Get Ready to Open

IV. Types of Marketing

V. Commercial Sales

VI. Public Relations & Community Involvement

VII. Build Your Sales Skills

VIII. Marketing Compliance

PRE-OPENING PROCEDURES

Part I: Opening Checklists

Part II: Vehicle Specifications and Services

Part III. Business Start-Up

Part IV: Office Set-Up

Part V: Preparing for Training

EXHIBIT G TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

CHHJ FRANCHISING, LLC

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

CHHJ FRANCHISING LLC
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YEARS ENDED DECEMBER 31, 2017 AND 2016

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Management
CHHJ Franchising, LLC
Tampa, Florida

We have audited the accompanying financial statements of CHHJ Franchising, LLC, which comprise the balance sheet as of December 31, 2017, and the related statements of operations, member's equity, and cash flows for the year 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 audit. 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 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, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The 2016 financial statements of CHHJ Franchising LLC were audited by other auditors whose report dated March 14, 2017, expressed an unmodified opinion on those statements.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
March 23, 2018

CHHJ FRANCHISING LLC
BALANCE SHEETS
DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	$ 493,295	$ 179,044
Restricted Cash	96,188	942
Accounts Receivable	845,415	542,558
Prepaid Expenses	217,785	71,339
Prepaid Sales Commission	10,000	220,600
Due from Related Parties, Current Portion	123,732	696,610
Other Receivables, Current Portion	185,839	85,706
Employee Advances	2,265	-
Total Current Assets	1,974,519	1,796,799
FIXED ASSETS		
Property and Equipment	1,038,682	508,360
Accumulated Depreciation	(456,485)	(296,681)
Net Book Value of Fixed Assets	582,197	211,679
OTHER RECEIVABLES, LESS CURRENT PORTION	268,885	50,260
DUE FROM RELATED PARTIES, LESS CURRENT PORTION	868,627	623,867
DEPOSITS	2,500	7,434
Total Assets	$ 3,696,728	$ 2,690,039
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 276,656	$ 84,692
Due to Related Parties	64,201	42,402
Credit Cards payable	172,114	138,641
Accrued Salaries and Wages	127,808	100,200
Customer Deposits	13,350	-
Deferred Revenue	246,941	794,561
Line of Credit	367,803	-
Note Payable	-	81,901
Capital lease, Current Portion	70,195	37,563
Total Current Liabilities	1,339,068	1,279,960
CAPITAL LEASE, NET OF CURRENT PORTION	67,049	57,977
Total Liabilities	1,406,117	1,337,937
MEMBER'S EQUITY	2,290,611	1,352,102
Total Liabilities and Member's Equity	$ 3,696,728	$ 2,690,039

See Accompanying Notes to Financial Statements.

CHHJ FRANCHISING LLC
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
REVENUE		
Royalty Fees	$ 5,195,119	$ 3,092,235
Call Center Fees	3,550,963	2,290,289
Franchise Fee Revenue	2,008,976	1,992,770
Other	990,641	506,060
Total Revenue	11,745,699	7,881,354
COST OF GOODS SOLD	3,217,025	2,285,905
GROSS PROFIT	8,528,674	5,595,449
OPERATING EXPENSES		
Facilities	460,363	277,356
Marketing	1,369,293	1,025,466
Management Labor	2,690,037	1,835,989
Payroll Taxes and Benefits	764,161	393,399
Depreciation and Amortization	159,804	57,702
Bad Debt Expense	608,633	159,863
Other Operating Expenses	1,375,067	946,552
Total Operating Expenses	7,427,358	4,696,327
NET OPERATING INCOME	1,101,316	899,122
OTHER INCOME		
Other Income	367,748	259,460
Settlement Proceeds, Net	-	122,870
Interest Income	20,893	6,435
Total Other Income	388,641	388,765
OTHER EXPENSES		
Interest Expense	30,379	10,835
Total Other Expense	30,379	10,835
NET INCOME	$ 1,459,578	$ 1,277,052

See Accompanying Notes to Financial Statements.

CHHJ FRANCHISING LLC
STATEMENTS OF MEMBER'S EQUITY
YEARS ENDED DECEMBER 31, 2017 AND 2016

BALANCE - DECEMBER 31, 2015	$ 777,536
Contributions from Member	126,787
Distributions to Member	(829,271)
Net Income	1,277,050
BALANCE - DECEMBER 31, 2016	1,352,102
Contributions from Member	432,132
Distributions to Member	(953,201)
Net Income	1,459,578
BALANCE - DECEMBER 31, 2017	$ 2,290,611

See Accompanying Notes to Financial Statements.

CHHJ FRANCHISING LLC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 1,459,578	$ 1,277,050
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	159,804	57,702
Bad Debt Expense	608,633	159,863
(Increase) Decrease in Assets:		
Accounts Receivable	(911,490)	(294,539)
Prepaid Expenses	64,154	(64,436)
Other Receivables	(318,758)	(7,627)
Other Current Assets	-	4,211
Employee Advances	(2,265)	2,063
Deposits	4,934	(2,500)
Increase (Decrease) in Liabilities:		
Accounts Payable	191,964	35,037
Credit Cards	33,473	49,303
Other Payables	-	(600)
Accrued Salaries and Wages	27,608	(14,983)
Customer Deposits	13,350	-
Deferred Revenue	(547,620)	268,888
Net Cash Provided by Operating Activities	783,365	1,469,432
CASH FLOWS FROM INVESTING ACTIVITIES		
Due from Related Parties	328,118	(839,942)
Purchase of Property and Equipment	(434,841)	(58,333)
Net Cash Used by Investing Activities	(106,723)	(898,275)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Proceeds from (Repayments of) Line of Credit	367,803	-
Due to Related Parties	21,799	910
Proceeds from Note Payable	-	95,000
Payments on Notes Payable	(81,901)	(13,099)
Payments on Capital Lease	(53,777)	(36,228)
Proceeds from Capital Contributed	432,132	126,787
Distributions to Member	(953,201)	(829,271)
Net Change in Restricted Cash	(95,246)	(942)
Net Cash Used by Financing Activities	(362,391)	(656,843)
NET INCREASE (DECREASE) IN CASH	314,251	(85,686)
Cash - Beginning of Year	179,044	264,730
CASH - END OF YEAR	$ 493,295	$ 179,044

CHHJ FRANCHISING LLC
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	$ 30,379	$ 10,835
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Purchase of Computer Hardware and Software with Capital Lease	$ 95,481	$ -

See Accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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," businesses that provide 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, as well as moving services (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.

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, 2017 and 2016, the Company had granted new franchises and/or zones to 2 and 10 franchisees, respectively, which opened subsequent to year-end. The revenue related to new franchises and zones is not recognized until the grand opening of the franchise or zone. The initial franchise fee and zone sale amounts received prior to year-end are included in deferred revenue on the balance sheet. Related commissions have been deferred until the franchisee fee revenue is recognized and is reflected as prepaid sales commissions on the balance sheet.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided at rates intended to distribute the cost of property and equipment over their estimated service lives of 3 to 15 years using the straight-line basis, and includes items purchased under the capital leases detailed in Note 3. 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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

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.

Restricted Cash

Restricted cash consists of escrow account for receipts received from franchisees and sponsors specifically designated to be used for the annual Company reunion event which is held the following year in February.

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, 2017 and 2016 to be collectible. Accordingly, the allowance for bad debt is reported at zero.

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 existing territories (Zones). The Company provide franchisee the option to purchase additional zones for a non-fundable deposit which is reflected as current liabilities in the financial statements. Revenues related to additional zones are recognized upon the expansion and completion of 6 months of operating the original location.

Royalty Fee Income and Call Center Fee Income – Royalty and Call Center fee income is recognized semimonthly based on gross revenue, as defined in the franchise agreement.

Trash Removal Service, Ad Fund, and Other Income – Revenue from trash removal services, ad fund, and other income sources are recognized as services are provided.

Advertising Costs

Advertising costs are expensed as incurred. As part of the franchise agreement, the Company maintains a Brand Development Fund (the 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 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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs (Continued)

During the years ended December 31, 2017 and 2016 the Company expensed advertising and marketing costs of $1,369,293 and $1,025,466, respectively, as incurred.

Use of Estimates

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

Beginning June 2014, the Company has a 401(k) plan for the benefit of employees who meet certain eligibility requirements. The plan allows employees to contribute up to 50% of their own earnings on a deferred basis subject to the limits prescribed by the Internal Revenue Code. Effective January 1, 2017, the 401(k) plan was amended to provide for employer matching contributions of 50% of employee deferrals, up to 3% of compensation.

Other Receivables

Other receivables consist of balances owed by franchisees for royalties and/or franchise/zone purchases. Interest income on these loans is accrued based on agreements with the franchisees. Balances owed by franchisees due within 12 months is considered current portion based on the signed agreements.

Reclassifications

Certain amounts in the 2016 financial statements have been reclassified to confirm to the 2017 presentation. These reclassifications do not affect net income or equity as previously reported. Management elected to move certain expenses from other expense to operating expense and elected to move certain income account from a contra operating expense to other income.

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.

Under the Income Taxes Topic of the FASB Accounting Standards Codification, the Company has reviewed and evaluated the relevant technical merits of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Company.

The Company evaluates its tax positions for uncertainty on an annual basis and believes it has no uncertain tax positions as of December 31, 2017 and 2016. The tax returns for the years 2013 to 2017 is subject to income tax examination.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2017 and 2016 were as follows:

	2017	2016
Computers and Office Equipment	$ 74,026	$ 58,922
Software	591,010	206,372
Furniture and Fixtures	39,153	49,381
Vehicles	57,081	57,081
Leasehold Improvements	277,412	136,604
Construction in Progress	-	-
Total	1,038,682	508,360
Less Accumulated Depreciation and Amortization	456,485	296,681
Net Book Value of Property and Equipment	$ 582,197	$ 211,679
Depreciation and Amortization Expense	$ 159,804	$ 57,702

As of December 31, 2017 and 2016 $287,079 and $185,366 of computer equipment and software are recorded under capital leases, respectively.

NOTE 3 CAPITAL LEASES

Capital leases at December 31, 2017 and 2016 were as follows:

Description	2017	2016
2.96% capital lease payable to lender, due $2,321 monthly (including principal and interest) through February 2019; secured by computer software and equipment	$ 34,141	$ 58,362
5.75% capital lease payable to lender, due $1,062 monthly (including principal and interest) through February 2020; secured by computer software and equipment	27,931	37,178
3.44% capital lease payable to lender, due $2,798 monthly (including principal and interest) through March 2020; secured by computer software and equipment	75,172	-
Total	137,244	95,540
Less Current Portion	70,195	37,563
Long-Term Portion of Debt	$ 67,049	$ 57,977

NOTE 3 CAPITAL LEASES (CONTINUED)

Maturities of capital leases are as follows:

Year Ending December 31,	Amount
2018	$ 74,170
2019	53,278
2020	14,376
Total Payments	141,824
Less: Portion Representing Interest	(4,580)
Principal Portion	137,244
Less: Current Portion	70,195
Long-Term Portion	$ 67,049

NOTE 4 COMMITMENTS AND CONTINGENCIES

Operating Leases

At December 31, 2017 and 2016, the Company was obligated under a lease with a related party for office space. At their discretion management may elect to modify the annual rent payments. Rent expense was $156,803 and $72,000 for the years ended December 31, 2017 and 2016, respectively.

Future minimum lease payments under noncancelable operating leases with initial or remaining terms in excess of one year are:

Year Ending December 31,	Amount
2018	$ 300,000
2019	$ 300,000
2020	$ 300,000
2021	$ 300,000
2022	$ 300,000
Thereafter	$ 1,380,000

Franchise Buy Back Option

The Company has the right, but not the obligation, to buy back franchises previously sold at any time following the 60 months of operation based on a purchase price defined in the franchise agreement.

Loan Agreement

During 2016, the Company had a revolving operating line of credit agreement with a financial institution on which it may borrow up to $350,000. In November 2016, per the terms of the original line of credit agreement, the balance on the line at that time was converted to a term note. The note bears interest at a rate of 5.0% per annum and requires fixed monthly payments of $1,920 through November 2020. The balance of the loan at December 31, 2016 was $81,901. This loan was fully repaid in February 2017.

NOTE 5 LINE OF CREDIT

In February 2017, the Company established a line of credit in the amount of $500,000 with a financial institution payable on demand. As of December 31, 2017, the interest rate was 6.25% with an outstanding balance of $367,803. The line is secured by the assets of the Company and is personally guaranteed by the Parent and its owners. The line of credit renews annually each February.

NOTE 6 INCOME TAXES

The Company has implemented the accounting guidance for uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities.

As of December 31, 2017 and 2016, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

NOTE 7 RELATED PARTIES

During 2017 and 2016, the Company generated revenues of $614,751 and $558,559, respectively, from franchisees under common control. As of December 31, 2017 and 2016, the Company had receivables of $137,762 and $60,203, respectively, from franchisees under common control. During the year, the Company incurred approximately $448,000 of bad debt expense as a result of the closing of a franchisee under a common control location.

Due from related parties, current portion at December 31, 2017 and 2016 were $123,732 and $696,610, respectively, and are related to various expense reimbursements and advances. Due from related parties, less current portion of $868,627 and $623,867 at December 31, 2017 and 2016, respectively, are related to reimbursements for a new building and build out purchased by the Parent Company and are determined to be long term in nature.

As of December 31, 2017 and 2016, the Company had payables of $64,201 and $42,402, respectively, a related party for various expense reimbursements or advances.

The Company leases building from Soliman and Friedman Real Estate, LLC which is a wholly owned Company by the owners of Friedman and Soliman Enterprises. During 2017 and 2016 the Company incurred rent expense of $156,803 and $72,000, respectively, this related party.

NOTE 8 FRANCHISE AGREEMENTS

Information relating to franchise agreements and changes in the number of franchises is as follows:

	2017	2016
Franchises in Operation at the Beginning of the Year	85	66
Franchise Agreements Signed, Operations Commenced	19	27
Franchise Agreements Terminated	(5)	(8)
Franchises in Operation at the End of the Year	99	85

As of December 31, 2017, there were four franchisees that executed agreements but did not intend to start operations until 2018.

As of December 31, 2016 there were nine franchisees that executed agreements but did not intend to start operations until 2017.

NOTE 9 SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 23, 2018, the date at which financial statements were available to be issued.

CHHJ Franchising, LLC

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
December 31, 2016 and 2015

WITH AUDIT REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

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CHHJ Franchising, LLC
Tampa, Florida **December 31, 2016 and 2015**

INDEPENDENT AUDITORS' REPORT

Management
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, 2016 and 2015, and the related statements of income, 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 of 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 auditor's 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, 2016 and 2015, 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.

Crabtree, Rowe & Berger, P.C.

Huntsville, Alabama
March 14, 2017

BALANCE SHEETS

CHHJ Franchising, LLC
Tampa, Florida

Assets

	2016	2015
Current assets:		
Cash	$ 179,986	$ 264,730
Accounts receivable	542,558	407,882
Prepaid expenses	291,939	227,503
Due from related parties, current portion	696,610	480,435
Other receivables, current portion	85,706	68,128
Employee advances	-	2,063
Construction in progress	-	12,207
Other current assets	-	4,211
Total current assets	1,796,799	1,467,159
Fixed assets:		
Property and equipment	508,360	437,820
Accumulated depreciation	(296,681)	(238,979)
Net book value of fixed assets	211,679	198,841
Other receivables, less current portion	50,260	60,211
Due from related parties, less current portion	623,867	100
Deposits	7,434	4,934
Total assets	$ 2,690,039	$ 1,731,245

See accompanying notes and

independent auditors' report.

BALANCE SHEETS - CONTINUED

CHHJ Franchising, LLC
Tampa, Florida **As of December 31, 2016 and 2015**

Liabilities and Member's Equity

	2016	2015
Current liabilities:		
Accounts payable	$ 84,692	$ 49,655
Due to related party	42,402	41,492
Credit cards payable	138,641	89,338
Accrued salaries & wages	100,200	115,183
Deferred revenue	794,561	525,673
Other payables	-	600
Note payable	81,901	-
Capital lease, current portion	37,563	36,228
Total current liabilities	1,279,960	858,169
Capital lease, net of current portion	57,977	95,540
Total liabilities	1,337,937	953,709
Member's equity	1,352,102	777,536
Total liabilities and member's equity	$ 2,690,039	$ 1,731,245

STATEMENTS OF INCOME

CHHJ Franchising, LLC
Tampa, Florida

For the years ended
December 31, 2016 and 2015

	2016	2015
Revenue		
Royalty fees	$ 3,092,235	$ 2,450,891
Franchise fee revenue	1,990,844	1,179,467
Call center fees	2,290,289	1,529,787
Other	506,060	342,540
Total revenue	7,879,428	5,502,685
Cost of goods sold	2,285,471	1,472,795
Gross profit	5,593,957	4,029,890
Operating expenses:		
Facilities	277,356	251,227
Marketing	968,825	720,778
Management labor	1,835,989	1,222,310
Payroll taxes & benefits	393,399	237,026
Other operating expenses	946,552	819,405
Total operating expenses	4,422,121	3,250,746
Net operating income	1,171,836	779,144
Other income:		
Other income	204,309	136,558
Settlement proceeds, net	122,870	-
Interest income	6,435	6,422
Total other income	333,614	142,980
Other expenses:		
Bad debt expense	159,863	14,066
Interest expense	10,835	10,092
Depreciation & amortization expense	57,702	67,940
Total other expense	228,400	92,098
Net income	$ 1,277,050	$ 830,026

4842-9943-6640.2 See accompanying notes and independent auditors' report.

STATEMENTS OF MEMBER'S EQUITY

CHHJ Franchising, LLC
Tampa, Florida

For the years ended
December 31, 2016 and 2015

Balance at December 31, 2014	$ 538,969
Contributions from member	69,167
Distributions to member	(660,626)
Net income	830,026
Balance at December 31, 2015	777,536
Contributions from member	126,787
Distributions to member	(829,271)
Net income	1,277,050
Balance at December 31, 2016	$ 1,352,102

STATEMENTS OF CASH FLOWS

CHHJ Franchising, LLC **For the years ended**
Tampa, Florida **December 31, 2016 and 2015**

Cash Flows from Operating Activities

	2016	2015
Net income from operations	$ 1,277,050	$ 830,026
Non-cash items included in net income		
Depreciation and amortization	57,702	67,940
Bad debt expense	159,863	14,066
Changes in:		
Accounts receivable	(294,539)	(173,387)
Prepaid expenses	(64,436)	(115,464)
Other receivables	(7,627)	128,019
Other current assets	4,211	(3,623)
Employee advances	2,063	(2,063)
Deposits	(2,500)	(1,000)
Accounts payable	35,037	21,015
Credit cards	49,303	3,493
Other payables	(600)	600
Accrued salaries & wages	(14,983)	51,311
Deferred revenue	268,888	389,324
Net cash provided (used) by operating activities	1,469,432	1,210,257

Cash Flows from Investing Activities

	2016	2015
Due from related parties	(839,942)	(117,898)
Purchase of property and equipment	(58,333)	(52,013)
Net cash provided (used) by investing activities	(898,275)	(169,911)

Cash Flows from Financing Activities

	2016	2015
Net proceeds from (repayments of) line of credit	-	(181,337)
Due to related parties	910	(160,067)
Proceeds from note payable	95,000	-
Payments on notes payable	(13,099)	-
Payments on capital lease	(36,228)	(33,310)
Proceeds from capital contributed	126,787	69,167
Distributions to member	(829,271)	(660,626)
Net cash provided (used) by financing activities	(655,901)	(966,173)
Net increase (decrease) in cash	$ (84,744)	$ 74,173

STATEMENTS OF CASH FLOWS - CONTINUED

CHHJ Franchising, LLC
Tampa, Florida

For the years ended December 31, 2016 and 2015

	2016	2015
Net increase (decrease) in cash - continued from page 7	$ (84,744)	$ 74,173
Cash at beginning of year	264,730	190,557
Cash at end of year	$ 179,986	$ 264,730
Supplementary disclosure of cash flow information:		
Interest paid	$ 10,835	$ 10,092
Non-cash investing and financing transactions:		
Purchase of computer hardware and software with capital lease	$ -	$ 56,105

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company and the method of applying those policies which affect the determination of financial position and results of operations are summarized below:

Nature of Business
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," businesses that provide 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, as well as moving services (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 2016, the Company sold 28 new franchises, 10 of which remained in process at year-end. During 2016, 19 franchises opened, 1 was terminated, and existing franchisees made 10 additional zone purchases. In 2015, the Company sold 23 new franchises, 8 of which remained in process at year-end. During 2015, 17 franchises opened, none were terminated, and existing franchisees made 6 additional zone purchases. At December 31, 2016 and 2015, the Company had 86 and 68 franchises in operation, respectively, including 3 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, 2016 and 2015, the Company had granted new franchises and/or zones to 10 and 8 franchisees, respectively, which opened subsequent to year-end. The revenue related to new franchises and zones is not recognized until the grand opening of the franchise or zone. The initial franchise fee and zone sale amounts received prior to year-end are included in deferred revenue on the balance sheet. Related commissions have been deferred until the franchisee fee revenue is recognized.

Property and Equipment
Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided at rates intended to distribute the cost of property and equipment over their estimated service lives of 3 to 15 years using the straight-line basis, and includes items purchased under the capital leases detailed in Note 3.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Concentration of Credit Risk
The Company maintains its cash accounts at financial institutions located in Tampa, Florida. As of December 31, 2016 and 2015 the FDIC insures cash balances up to $250,000 per bank, including interest-bearing and non-interest bearing accounts. At December 31, 2016, the Company did not have any uninsured cash balances. At December 31, 2015, the Company had $29,898 of uninsured cash balances.

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.

Accounts Receivable
Accounts deemed uncollectible are written off through a charge to bad debt expense. Management considers all receivables at December 31, 2016 and 2015 collectible and therefore, has not provided an allowance for doubtful accounts.

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 existing territories (Zones).

Royalty Fee Income and Call Center Fee Income - Royalty and Call Center fee income is recognized semi monthly based on gross revenue, as defined in the franchise agreement.

Trash Removal Service, Ad Fund, and Other Income - Revenue from trash removal services, ad fund, and other income sources are recognized as services are provided.

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

Cash Equivalents
The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Retirement Plan

Beginning June 2014, the Company has a 401(k) plan for the benefit of employees who meet certain eligibility requirements. The plan allows employees to contribute up to 50% of their own earnings on a deferred basis subject to the limits prescribed by the Internal Revenue Code. As of December 31, 2016 the plan does not allow for employer matching contributions.

Other Receivables

Other receivables consist of balances owed by franchisees for royalties and/or franchise/zone purchases. Interest income on these loans is accrued based on agreements with the franchisees.

Reclassifications

Certain reclassifications have been made to 2015 accounts to conform with the presentation in the current-year financial statements.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2016 and 2015 were as follows:

	2016	2015
Computers and office equipment	$ 58,922	$ 53,523
Software	206,372	206,372
Furniture and fixtures	49,381	39,153
Vehicles	57,081	57,081
Leasehold improvements	136,604	81,691
	508,360	437,820
Less: Accumulated depreciation and amortization	(296,681)	(238,979)
Net book value of property and equipment	$ 211,679	$ 198,841
Depreciation and amortization expense for the years ended December 31, 2016 and 2015:	$ 57,702	$ 67,940

As of December 31, 2016 and 2015 $185,366 of computer equipment and software are recorded under capital leases.

NOTE 3 - CAPITAL LEASES

Capital leases at December 31, 2016 and 2015 were as follows:

	2016	2015
3.0% capital lease payable to lender, due $2,321.24 monthly (including principal and interest) through February 2019 secured by computer software and equipment	$ 58,362	$ 84,047
5.1% capital lease payable to lender, due $1,061.97 monthly (including principal and interest) through February 2020 secured by computer software and equipment	37,178	47,721
	95,540	131,768
Less: current portion	(37,563)	(36,228)
Long-term portion of debt	$ 57,977	$ 95,540

Maturities of capital leases are as follows:

Years ending December 31,	Amount
2017	$ 37,563
2018	$ 38,950
2019	$ 16,917
2020	$ 2,110
2021	$ -

NOTE 4 - ADVERTISING

During the years ended December 31, 2016 and 2015 the Company expensed advertising and marketing costs of $968,825 and $720,778, respectively, as incurred.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Operating Leases

At December 31, 2016 and 2015, the Company was obligated under a lease with a related party (which has not been capitalized), for office space. At their discretion management may elect to modify the annual rent payments. Rent expense was $72,000 and $72,000 for the years ended December 31, 2016 and 2015, respectively.

Future minimum lease payments under non-cancelable operating leases with initial or remaining terms in excess of one year are:

Years ending December 31,	Amount
2016	$ 72,000
2017	$ 72,000
2018	$ 72,000
2019	$ 72,000
2020 and thereafter	$ 216,000

Franchise Buy Back Option

The Company has the right, but not the obligation, to buy back franchises previously sold at any time following the sixty months of operation based on a purchase price defined in the franchise agreement.

Loan Agreement

During 2016 and 2015, the Company had a revolving operating line of credit agreement with a financial institution on which it may borrow up to $350,000. As of December 31, 2015, there was no balance on the line. In November 2016, per the terms of the original line of credit agreement, the balance on the line at that time was converted to a term note. The note bears interest at 5% per annum and requires fixed monthly payments of $1,920 through November 2020. This loan was fully repaid in February 2017 as discussed in Note 8.

NOTE 6 – INCOME TAXES

The Company has implemented the accounting guidance for uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes* . Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities.

As of December 31, 2016 and 2015, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

NOTE 7 – RELATED PARTIES

During 2016 and 2015, the Company generated revenues of $558,559 and $547,976, respectively, from franchises under common control. As of December 31, 2016 and 2015, the Company had receivables of $60,203 and $27,182, respectively, from franchises under common control. Other amounts due from related parties at December 31, 2016 and 2015 were $1,320,477, and $480,535, respectively.

As of December 31, 2016 and 2015, the Company had payables of $42,402 and $41,492, respectively, payable to a related party for various expense reimbursements or advances.

During 2016 and 2015 the Company incurred rent expense of $72,000 and $72,000, respectively, to a related party. As of December 31, 2016, the Company had payables of $12,000 to the related party for rent.

NOTE 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 14, 2017, the date at which financial statements were available to be issued.

In February 2017, the term note described in Note 5 was repaid in full.

Effective January 1, 2017, the 401(k) plan was amended to provide for employer matching contributions of 50% of employee deferrals, up to 3% of compensation.

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® and College Hunks Moving® 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 I 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 Delaware limited liability company with its principal place of business at 4411 West Tampa Bay Boulevard, Tampa, Florida 33614 ("**Franchisor**") and _______, a [resident] [corporation] [partnership] [limited liability company] [residing at] [with offices located at]___ ("**Depositor**"). Franchisor and Depositor are sometimes referred to individually as a "**party**" and collectively as the "**parties.**"_________________

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. **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. **No Refunds**. 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. Nothing in this or in any related agreement, however, is intended to disclaim the representations made in the Franchise Disclosure Document we furnished to you. This Agreement neither evidences, nor commits us to, an award of a Franchise to you. Any grant of a Franchise to you will be subject to a definitive Franchise Agreement mutually acceptable and signed by both you and us. However, in the meantime, you and we will naturally be expected to investigate each other's qualifications, background and respective businesses. Thus, each of us will cooperate with each other to obtain further information in order to proceed on a mutually beneficial business basis. Neither party has any obligation to the other party other than as described in this Agreement.

12. **Governing Law**. This Agreement shall be interpreted under the laws of the State of Florida without regard to its conflict of laws principles.

13. **Counterparts**. The parties may execute this Addendum in printed or electronic counterparts and by manual, facsimile, or electronic signature. Each executed counterpart of this Addendum will constitute an original document and all executed counterparts together will constitute the same agreement.

"FRANCHISOR":	"**DEPOSITOR**":
______________________________	______________________________
By:____________________________	By:____________________________
Name:__________________________	Name:__________________________
Title:_________________________	Title:_________________________

EXHIBIT J

GENERAL RELEASE

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 4411 West Tampa Bay Boulevard, Tampa, Florida 33614 (the "Franchisor"), and __________ residing at ________ (the "Releasor").

The parties, in exchange for good and valuable consideration, the sufficiency and receipt of which is acknowledged, and in reliance upon the representations, warranties, and comments, 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 these promises covenants, or undertakings 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 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.

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 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, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

RELEASOR:

____

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 4411 West Tampa Bay Boulevard, Tampa, Florida 33614. 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: March 23, 2018

The name, principal business address, and telephone number of the franchise seller(s) offering the franchise are:

Name	Principal Business Address	Telephone Number
Omar A. Soliman	4411 W Tampa Bay Blvd, Tampa, Florida 33614	(800) 586-5872
Nick Friedman	4411 W Tampa Bay Blvd, Tampa, Florida 33614	(800) 586-5872
Kathy Schilling	4411 W Tampa Bay Blvd, Tampa, Florida 33614	(800) 586-5872
Chelsea Renno	4411 W Tampa Bay Blvd, Tampa, Florida 33614	(800) 586-5872

I received a Disclosure Document dated March 23, 2018 (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	F – Table of Contents of Operations Manual
B – State Specific Addenda	G – Financial Statements
C – Franchise Agreement	H – Franchisee Disclosure Acknowledgment Statement
D – List of Current Franchisees	I – 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 4411 West Tampa Bay Boulevard, Tampa, Florida 33614, 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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Date:_________________________ ____

(Do not leave blank) Signature of Prospective Franchisee

____

Print Name

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(RETURN THIS COPY TO US)