

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

We offer 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 and 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 \$158,700 to \$283,500. This includes at least \$45,000 to \$65,000 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 Franchise Development Team 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:
April 18, 2023

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in Florida. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Florida than in your own state.
2. **Mandatory Minimum Payments.** 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.
3. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

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

NOTICE REQUIRED BY THE

STATE OF MICHIGAN

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

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 Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
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 offer 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 and 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 immediate and direct parent company is CHHJ Midco, LLC (**‘Parent’**), a Delaware limited liability company that was formed on January 20, 2021 and is located at 4411 West Tampa Bay Blvd, Tampa, FL 33614. Parent is a wholly owned subsidiary of CHHJ Holdings, LLC. CHHJ Holdings, LLC is majority owned by Friedman & Soliman Enterprises, LLC (**‘F&S’**), a Delaware limited liability company with the same address as Parent. Parent has never offered franchises in this or any other line of business. Parent does not operate a business of the type to be operated by you. Parent does not provide products or services to our franchisees, nor does it guaranty our performance under the Franchise Agreement.

Currently, we have four affiliates who own and operate College Hunks Hauling Junk® and/or College Hunks Moving® locations. First, our affiliate CHHJ, LLC (**‘CHHJ’**) currently owns and operates a College Hunks Hauling Junk® and College Hunks Moving® in Maryland. Additionally, our affiliate Mansari, LLC currently owns and operates a College Hunks Hauling Junk® and College Hunks Moving® in Florida. In 2019, an additional affiliate, CHHJ New Jersey, LLC became the owner and operator of a College Hunks Hauling Junk ® location and College Hunks Moving ® location in New Jersey. In 2022, an additional affiliate, Excelsior Trucking, Inc., became the owner and operator of a College Hunks Hauling Junk® and College Hunks Moving® in New York. 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. Trash Butler has been designated 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.

Our affiliate NOR, LLC (**‘NOR Item’**) is a Florida limited liability company that was formed on January 1, 2020 and shares our principal business address at 4411 West Tampa Bay Boulevard, Tampa, Florida 33614. NOR now owns and operates ACUTE FS. All franchisees are required to use ACUTE FS, which provides bookkeeping services for your Franchised Business (as defined below). NOR is also an approved provider of payroll services for franchisees who choose to participate. NOR 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. Except as disclosed herein, NOR does not provide products or services to our franchisees. NOR does not 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 and 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 (collectively, the **‘System’**). Our SLC is a centralized office that receives orders for service from clients via telephone, e-mail, or other electronic booking methods designated by us. The SLC then forwards the request for service to the appropriate franchisee based upon the client’s location. 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 (as defined below).

We currently offer College Hunks Moving® (our moving concept) as part of the College Hunks Hauling Junk® Franchised Business. The College Hunks Moving® concept may include the provision of packing services for customers as well as sales of boxes and packing materials. If you acquire a College Hunks Moving® concept as part of your 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 the College Hunks Moving® concept. Purchasing a College Hunks Moving® concept is currently optional for our franchisees, but we reserve the right to require all franchisees to purchase the College Hunks Moving® concept in the future. We also reserve the right to split the College Hunks Moving® concept portion of your Franchised Business into a separate system or franchise opportunity in the future.

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’**) identify the System. We own 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’**).

The Franchise Offered

You will have the opportunity to purchase the College Hunks Hauling Junk® concept, the College Hunks Moving® concept, 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 franchises to qualified candidates for the right to develop and operate a franchised business in 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 and commercial clients and taking it to the appropriate landfill or transfer station for appropriate disposal or recycling, plus other related services. You must sign our Franchise Agreement (the ‘**Franchise Agreement**’) in the form attached as Exhibit C to this Disclosure Document. The Franchise Agreement grants you the right to develop and operate a single franchised business at an approved location (the ‘**Franchised Business**’).

The Franchised Business will operate within a specified area that you purchase that will contain a population of between 300,000 and 400,000 persons (a ‘**Zone**’). 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. You may also compete with municipal waste removal agencies. Other factors, such as changes in economic conditions and seasonal fluctuations may also affect your Franchised Business.

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, DOT, discrimination, employment and labor, sexual harassment, and tax laws.

Specifically, you must comply with all applicable laws related to moving services and/or junk removal and disposal. If you provide moving services, you may have to apply for and receive specific authority to conduct moving services across state lines. If you provide junk removal and disposal services, your Franchised Business will remove and haul non-hazardous junk for disposal, re-use, and recycling. Neither we nor your Franchised Business will be in the business of hauling liquids, gasses, or flammable or hazardous waste.

Moving companies and junk hauling companies are highly regulated industries governed by federal, state, and in some instances, local law. Most states have transportation agencies that oversee the

state's laws, regulations, and licensing requirements, although the responsible agency may differ from state to state. We have made no investigation, and are under no obligation to make any investigation, regarding the existence or requirements of any such state or local laws, ordinances, regulations, taxes, or other restrictions applicable in your or any Designated Territory (as defined in Item 12). State laws and regulations can vary significantly from one state to the next, which may impact the length of time and the expense required to receive the applicable licenses and permits for the opening and operation of your Franchised Business. For example, California law requires moving companies to register with the California Public Utilities Commission. The U.S. Department of Transportation's Federal Motor Carrier Safety Administration administers federal laws relating to this industry and requires registration for interstate moves. Restrictions on licensing may also exist related to your drivers and your trucks, and you may have to obtain special permits related to junk hauling, dumping, and/or moving. These are merely some examples of the requirements you may have to meet.

In addition to statutes and regulations specific to the junk-hauling and moving industries, you must comply with all federal, state, and local data privacy and security laws which may apply to your Franchised Business. Federal, state, and local laws regulate the requirements for protection and use of customer data, including personal and payment related information. As a part of your Franchised Business, you may collect information related to your consumers on our behalf. While we own all the data that you collect, you must ensure that all of your collection and retention methods comply with such laws. We have made no independent investigation into such requirements, and it is entirely your responsibility to ensure your own compliance with these laws.

It is your responsibility to conduct the necessary due diligence regarding whether there are any special license requirements or other laws that pertain to or affect your Franchised Business, or whether any city, town, or other governmental agency has issued or granted an exclusive right or license to another garbage or waste hauler that would bar your operation in all or a portion of your Designated Territory, or whether there may exist any special restrictions that may limit your right to access a local transfer site or landfill.

In addition to those described previously, there may be other laws and regulations applicable to the operation of your Franchised Business within a particular state and we urge you to ask an attorney about all of the laws and regulations that can impact your operation of a College Hunks Hauling Junk® and/or College Hunks Moving® Franchised Business within the Designated Territory licensed to you.

ITEM 2 BUSINESS EXPERIENCE

Co-Founder and Chief Executive Officer: Omar A. Soliman

Mr. Soliman has been our Co-Founder and Chief Executive Officer since our inception on October 20, 2006, and held the title of Chief Executive Officer until January 2021. He has held the same positions with F&S since its inception on March 25, 2005, and with our affiliate Trash Butler since its inception on May 21, 2013. He continues to serve as the CEO of CHHJ, which owns and operates College Hunks Hauling Junk® outlet in Rockville Maryland. He also serves as the CEO of Mansari LLC ('**Mansari**'), which owns and operates a College Hunks Hauling Junk® business in Tampa, Florida. Further, he serves as the CEO of CHHJ New Jersey, LLC, which owns and operates a College Hunks Hauling Junk® business in Fairfield, New Jersey. From December 2013 until December 2018, he was a principal owner of a franchisee entity that owned and operated a Two Maids & A Mop® franchise in Tampa, Florida.

Co-Founder and President: Nick Friedman

Mr. Friedman has been our Co-Founder and President since our inception on October 20, 2006, and held the title of President until January 2021. He has held the same positions with F&S since its inception on March 25, 2005, and our affiliate Trash Butler since its inception on May 21, 2013. He continues to serve as the President of CHHJ, which owns and operates the College Hunks Hauling Junk® outlet in Rockville Maryland. He also serves as the President of Mansari, which owns and operates a College Hunks Hauling Junk® business in Tampa, Florida. Further, he serves as the President of CHHJ New Jersey, LLC, which owns and operates a College Hunks Hauling Junk® business in Fairfield, New Jersey. From December 2013 until December 2018, he was a principal owner of a franchisee entity that owned and operated a Two Maids & A Mop® franchise in Tampa, Florida.

Brand President: Roman Cowan

Mr. Cowan has served as our Brand President since January 2021. From November 2016 to December 2020, Mr. Cowan served as VP of Finance and Operations and Chief Operating Officer to College H.U.N.K.S. Hauling Junk & Moving®.

Senior Vice President of Franchise Development and Legal Affairs: Kelsie Ackman

Ms. Ackman has served as our Senior Vice President of Franchise Development and Legal Affairs since January 2022. From January 2019 to January 2022, she served as Vice President of Franchise Development and General Counsel. From January 2017 to December 2018, Ms. Ackman served as our General Counsel.

Senior Vice President of Operations: Marc Richard

Mr. Richard has serviced as our Senior Vice President of Operations since October 2022. From February 2018 to October 2022, he served as Vice President of Operations – East Region for Smoothie King in Tampa, FL. From February 2016 to January 2018, he served in various roles and most recently Director of Franchise Operation – Midwest Region for Domino's Pizza, LLC in Ann Arbor, MI.

Vice President of Marketing: Mary Mills

Ms. Mills has served as our Vice President of Marketing since May 2019. From October 2008 to May 2019, she served as the Marketing Director at United Franchise Group in West Palm Beach, Florida.

Director of the Sales and Loyalty Center: Adam Verrill

Mr. Verrill has served as our Director – Sales and Loyalty Center since March 2020. From September 2019 to February 2020, he served as our Senior Operations Manager for the Sales and Loyalty Center. From November 2016 to August 2019, Mr. Verrill served as our Workforce Management Manager.

Vice President of National Accounts and Strategic Alliances: Laura Butcaris

Ms. Butcaris has served as our Vice President of National Accounts and Strategic Alliances since November 2020. From August 2017 until October 2020, she served as our Director of Franchise Performance.

Director of Franchise Business Consulting: Dan Whalen

Mr. Whalen has served as our Director of Franchise Business Consulting since October 2021. From March 2016 to September 2021, Mr. Whalen served as the General Manager of Mansari LLC, our affiliate that currently owns and operates a College Hunks Hauling Junk® and College Hunks Moving® in Florida.

Director of Product Development: Matt Knapp

Mr. Knapp has served as our Director of Product Development since July 2019. From April 2013 to June 2019, Mr. Knapp served as our Software Engineering Manager.

Franchise Development Manager: Carol Toffolon

Ms. Toffolon has served as our Franchise Development Manager since March 2020. From February 2020 to February 2021, she served as the Director of Strategic Sales for Real Agent Works in Miami, Florida. From December 2012 to December 2018, she served as Sales Manager/Home Consultant for Invitation Homes in Tampa, Florida. In December 2018, Ms. Toffolon founded The Charity Branch in Tampa, Florida in January 2018 and served as its President from January 2018 to December 2020.

Director of Franchise Development: Dana Hansen

Mr. Hansen has served as our Director of Franchise Development since June 2018. From November 2003 to June 2018, he was the Manager of Franchise Development for Club Z Tutoring, Inc. in Tampa, Florida.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

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 \$45,000 for a standard Zone. If you purchase a College Hunks Hauling Junk® franchise and a College Hunks Moving® franchise concurrently, the initial franchise fee is \$65,000 for a standard Zone. We impose the initial franchise fee 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 have not successfully completed our training program, then we may terminate the Franchise Agreement. If we elect to terminate the Franchise Agreement in this circumstance, then we 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 and amounts incurred by us in providing initial training if you and your owners sign an agreement to terminate the Franchise Agreement.

If you are a qualified U.S. veteran, or if a qualified U.S. veteran has at least a 51% interest in your Franchised Business during the initial term of the Franchise Agreement, we will discount the initial franchise fee by \$7,500. If you receive this discount and at any time during the initial term fail to satisfy the requirement that a U.S. veteran own at least a 51% interest in your Franchised Business, then you must pay the balance of the then current initial franchise fee.

If you choose to purchase either a College Hunks Hauling Junk® franchise or a College Hunks Moving® franchise without purchasing the other franchise concept, then we may sell the other franchise concept within your Designated Territory. If, during the initial term of your Franchise Agreement, we have not made such a sale of the other franchise concept, you are in full compliance with the terms and conditions of your Franchise Agreement, and you satisfy our then-current criteria for franchisees of the applicable franchise concept, you may purchase the other franchise concept for an initial franchise fee of \$45,000, payable upon execution of the amendment to your Franchise Agreement reflecting the right to operate the additional franchise concept. This fee is fully earned by us when paid and non-refundable.

During the term of your Franchise Agreement, we may allow you to expand your Designated Territory by acquiring 1 or more additional Zones. You may also choose to purchase a fraction of a Zone that is contiguous to your Designated Territory, either initially or during the term of your Franchise Agreement.

You may request, and we will consider, expansion of your Designated Territory. Our decision will be based on our then-current criteria for expanding Designated Territory, which currently are that 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) have been open and operating for at least 12 months at the time of your request; (iii) complete our then-current form of franchise expansion application; (iv) demonstrate sufficient market penetration in your current Zone(s); (v) demonstrate the business case for expansion of the Designated Territory; (vi) pay our then-current expansion fee; (vii) sign our then-current form of expansion agreement (which may be either a Zone amendment or a new franchise agreement) (and new franchise agreements will be subject to franchise registration and disclosure laws); and (viii) meet our then-current criteria for new franchisees.

The cost of a fractional Zone is \$20,000 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 to acquire an additional Zone, as described above.

We currently limit the number of Zones you may purchase to 1 Zone. 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 may 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 purchase a small market franchise, the initial franchise fee will be calculated as 20% of the population 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 20% of 90,000, or \$18,000. 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 imposed uniformly on all franchisees who elect to purchase a small market Zone, but the amount of the initial franchise fee will vary depending upon the population. We may require you to expand your Designated Territory if we determine that the number of people is not enough to sustain your Franchised Business in accordance with our standards, in which case you will purchase the additional area for a fee equal to 20% of the population in the additional area. 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 20% of the population 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 the College Hunks® brand. 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 \$65,000 and your business generated \$300,000 in revenue during the previous year, the initial franchise fee will be reduced by \$30,000, making your initial franchise fee \$35,000. 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 formula for the initial franchise fee is uniformly imposed on all franchisees, but the amount of such initial franchise fee will vary depending upon the total sales of the existing business upon which with discount is calculated.

Business Ramp Up Advertising

We and you will prepare a written plan for a pre-opening business commencement, launch and ramp-up advertising campaign (the ‘**Ramp-Up Campaign**’). You will pay the costs of the Ramp-Up Campaign in connection with the opening and initial operations of the Franchised Business, which we estimate are around \$10,000. We may require you to pay us the costs of the Ramp-Up Campaign, and we will spend such money on the Ramp Up Campaign on your behalf.

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

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	This amount is due on all Gross Sales for Services within your Designated

Type of Fee (1)	Amount	Date Due	Remarks
		electronic funds transfer	Territory. We charge an 8% Continuing Royalty Fee for Gross Sales outside your Designated Territory (the 'Outside Gross Sales'). 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 directing you to stop. (See Note 9)
Minimum Annual Royalty – Move (3)	\$16,100 per Zone during 1st year of operations; \$17,787 per Zone during 2nd year of operations; \$19,473 per Zone during 3rd year of operations; \$21,467 per Zone during 4th year of operations; \$22,540 per Zone during 5th year of operations; \$23,613 per Zone during 6th year of operations; \$24,840 per Zone during 7th year of operations; \$26,067 per Zone during 8th year of operations; \$27,293 per zone during 9th year of operations; and \$28,673 per Zone during 10th 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.	By February 15 th following the end of the calendar year of 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 (3)	\$8,050 per Zone during 1st year of operations; \$8,893 per Zone during	By February 15 th following the end of the calendar year of	This is only payable if the Total Continuing Royalty Fees paid by you in any year

Type of Fee (1)	Amount	Date Due	Remarks
	2nd year of operations; \$9,737 per Zone during 3rd year of operations; \$10,733 per Zone during 4th year of operations; \$11,270 per Zone during 5th year of operations; \$11,807 per Zone during 6th year of operations; \$12,420 per Zone during 7th year of operations; \$13,033 per Zone during 8th year of operations; \$13,647 per Zone during 9th year of operations; and \$14,337 per Zone during 10th 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.	operations	of operations are less than the total Minimum Annual Royalty for that year. (See Notes 3 and 9)
SLC Appointment Fee (4)	6% of Gross Sales for junk removal appointments booked by the SLC. 5% of Gross Sales for moving appointments booked by the SLC.	Payable at the same time and in the same manner as the Continuing Royalty Fee	You will not be required to pay this fee for self-generated sales, self-booked sales, or online bookings. 'Per booking' or 'per appointment' means a booked move, booked junk removal estimate, booked in-home estimate, or booked junk removal consultation. We evaluate this fee every year and may increase it at any time to reflect increased costs and/or consumer price index changes. (See Note 10)
SLC Customer Service Fee	\$10 per Customer Service Call received by the SLC in excess of 25% of the number of scheduled appointments booked by the SLC for	Payable at the same time and in the same manner as the Continuing Royalty Fee.	The SLC Customer Service Fee only applies to Customer Service Calls that exceed the number of scheduled appointments booked during the applicable calendar

Type of Fee (1)	Amount	Date Due	Remarks
	you in any calendar month.		month. For example, if 100 appointments you are booked in a given month, you would not be charged for a Customer Service Call until there have already been 25 Customer Service Calls within that same month. We evaluate this fee every year and may increase it at any time to reflect increased costs and/or consumer price index changes. (See Notes 9 and 10)
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 approved 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).
Technology Fee	1% of Gross Sales	Payable at the same time and in the same manner as the Continuing Royalty Fee	
E-mail Account	We currently do not charge for the first 3 e-mail addresses, but you must pay \$8 per	As invoiced	For brand consistency, we will assign or designate all e-mail accounts used in the operation of your Franchised

Type of Fee (1)	Amount	Date Due	Remarks
	month for each additional e-mail address/account.		Business. We may control the use of all e-mail accounts. You must reimburse us for the per-user cost of the e-mail account(s) associated with your Franchised Business. These fees may increase if our costs increase.
ACUTE FS	\$350 per month to \$900 per month depending on your monthly revenue and desired level of service; if you ask NOR to provide Accounting Services outside the scope of its typical Accounting Services, NOR may charge you \$20 per hour.	10 days after invoice	This fee compensates our affiliate, NOR, for administering ACUTE FS, including staff and software expenses. NOR imposes and collects fees for ACUTE FS, and such fees are payable only to NOR. Fees for participation in ACUTE FS are only refundable if NOR provides materially deficient services. This fee is uniformly imposed across franchisees that are in the same tiers based on revenue.
Payroll Services Program Fee (Optional)	\$299 per month to \$2,299 per month depending on the number of employees on your payroll	Payable by the 10 th day of the month by electronic funds transfer	This fee compensates our affiliate, NOR, for providing payroll services to the Franchised Business. This program is optional.
Transfer Fee (Franchise Agreement)	\$15,000 if you have 1 Zone in your Franchised Business; an additional fee of \$5,000 per Zone will apply if your Franchised Business has more than 1 Zone.	A \$2,500 deposit is due upon transfer request. The remaining amount is due 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. The deposit will be credited to your transfer fee unless you withdraw from the transfer process without a successful transfer in which the case deposit is forfeited.
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

Type of Fee (1)	Amount	Date Due	Remarks
			expires, you must pay us \$50 per day for every day that your Franchised Business operates without a Renewal Franchise Agreement.
Non-Compliance Fee (8)	Up to \$10,000 per violation or default	On demand after written warning for non-compliance occurrences.	Each event of non-compliance also constitutes an event of default under your Franchise Agreement, allowing us, at our discretion, to exercise any remedies we may have under the Franchise Agreement, including termination, in addition to or as a substitute for the non-compliance fee.
Initial Training and Additional Personnel Training	No fee for the first 2 people who attend initial training (\$550 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.
Initial Training 'No Show' Fee	If you fail to timely notify us of your inability to attend Initial Training, we may charge you a fee of \$500 per person.	As incurred	
Refresher Training Program/Continuing Education	\$550	As incurred	We have the option of providing refresher training or other training programs, which can last up to 5 days, but can be online or in class, as we determine.
Enrichment Training	\$550 per person.	On demand	Enrichment training is described in Item 11. You must pay all expenses you

Type of Fee (1)	Amount	Date Due	Remarks
			incur related to enrichment training if we require you to participate because your Franchised Business is not performing in accordance with the standards and/or to achieve minimum performance levels, including all travel, meals, lodging, and wages for you and your trainees.
Purchase of Additional Zone (Note 11)	\$55,000	As incurred	The cost to acquire an additional Zone is \$55,000.
Purchase of Additional Fractional Zone (Note 11)	\$20,000	As incurred	The cost to acquire a fractional Zone is \$20,000 for each additional 100,000 in population.
Purchase of Additional Concept	\$45,000	As incurred	If you purchase only one of our concepts (only Junk or only Moving) and you wish to purchase the other concept, you may do so if the other concept is available for purchase, you meet our then-current criteria for new franchisees, you pay the additional concept fee, you have no current defaults under the Franchise Agreement, and you are in good standing.
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	15 days after billing	If a deficiency occurs, we may terminate the Franchise Agreement without opportunity for you to cure the default.

Type of Fee (1)	Amount	Date Due	Remarks
	deficiency or \$500, whichever is greater, plus the cost of the inspection or audit.		
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable if we enforce the terms of the Franchise Agreement due to 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)	\$750 for the Franchised Business's first attendee and \$500 for the Franchised Business's additional attendees, 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
Liquidated Damages	Your average monthly royalties during the 12 months prior to termination multiplied by 24.	15 days after termination	This only applies if we terminate your franchise agreement for cause prior to its expiration.
Additional Service Vehicle	As incurred	After the Franchised Business achieves Gross Sales of \$25,000 or more for either junk or moving in a month	You must purchase either a Junk Truck or a Moving Truck after the Franchised Business achieves Gross Sales of \$25,000 or more for that concept. If you own 3 or more Zones, you must have at least one Service Vehicle in operation for each concept your Franchised Business offers for each Zone, no later than your third year of operations, regardless of the level of Gross Sales.
Service Vehicle Replacement	As incurred	As negotiated	We may require you to replace your service vehicle if an existing vehicle is no

Type of Fee (1)	Amount	Date Due	Remarks
			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 as either a franchisee or a franchisee's principal.
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 100% of job revenue	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 the job revenue for each violation. Repeated violations may result in termination of your Franchise Agreement.
National Account	Varies on case-by-case	As incurred	If you participate in our

Type of Fee (1)	Amount	Date Due	Remarks
Commission	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.		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 (12)	3% - 8% of the purchase price of the Franchised Business	Upon successful resale	This fee is only due if you request our assistance in the resale of your Franchised Business.
Holdback Amount for Customer Claims	An amount determined by us based on your customer damage history for the previous two years and any known current damage issues at the time your Franchised Business is expiring, transferring or terminating	Paid by electronic funds transfer 5 days before expiration, transfer, or termination of your Franchised Business	You must pay this amount if your Franchised Business is expiring, transferring, or terminating. This amount will be held by us for 6 months and used to resolve any customer disputes. The balance will be returned to you.

Notes:

- (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 your 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 your 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 services were performed gratuitously by the franchisee or if the client refused to pay for services 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 Operations 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 February 15th of the calendar year immediately following the applicable calendar year of operations. In the event you operate less than a full year in Year 1, we will pro-rate the Minimum Annual Royalty for Year 1 by the number of days your Franchised Business was open compared to 365 days in a year. If you operate more than one Zone and exceed the Minimum Annual Royalty for one Zone but fail to achieve the Minimum Annual Royalty for another Zone, the excess royalty from one Zone will not offset the minimum royalty deficiency due from any other Zone. If you operate both the College Hunks Hauling Junk® and College Hunks Moving® lines of business, you must achieve the Minimum Annual Royalty for each line of business found in the chart below. If you operate both the College Hunks Hauling Junk® and College Hunks Moving® lines of business, the excess royalty from one line of business will not offset a minimum royalty deficiency due from the other line of business. The Minimum Annual Royalty amounts are as follows:

Year of Operations	Move Minimum Annual Royalty	Junk Minimum Annual Royalty
1	\$16,100 per Zone	\$8,050 per Zone
2	\$17,787 per Zone	\$8,893 per Zone
3	\$19,473 per Zone	\$9,737 per Zone
4	\$21,467 per Zone	\$10,733 per Zone
5	\$22,540 per Zone	\$11,270 per Zone
6	\$ 23,613 per Zone	\$11,807 per Zone
7	\$24,840 per Zone	\$12,420 per Zone
8	\$26,067 per Zone	\$13,033 per Zone
9	\$27,293 per Zone	\$13,647 per Zone
10	\$28,673 per Zone	\$ 14,337 per Zone

For illustration purposes, the minimum annual gross revenue required to achieve the Minimum Annual Royalty for the College Hunks Hauling Junk® and College Hunks Moving® lines of business is found below:

Year of Operations	Move Minimum Gross Revenue Required to Achieve Minimum Annual Royalty	Junk Minimum Gross Revenue required to Achieve Minimum Annual Royalty
1	\$230,000 per Zone	\$115,000 per Zone
2	\$254,095 per Zone	\$127,048 per Zone
3	\$278,190 per Zone	\$139,095 per Zone
4	\$306,667 per Zone	\$153,333 per Zone
5	\$322,000 per Zone	\$161,000 per Zone
6	\$337,333 per Zone	\$168,667 per Zone
7	\$354,857 per Zone	\$177,429 per Zone
8	\$372,381 per Zone	\$186,190 per Zone
9	\$389,905 per Zone	\$194,952 per Zone
10	\$409,619 per Zone	\$204,810 per Zone

- (4) The Appointment Fee is charged on the Gross Sales received by you for each appointment scheduled or booked by the SLC. The Appointment Fee is the sales funnel for your business. The Appointment Fee shall be set forth from time to time by us in the Operations Manual or otherwise in writing.
- (5) The Brand Development Fee is used for brand development and to build scalable marketing solutions 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 owed to us during the 12 months of operation preceding the effective date of termination multiplied by 24 months. 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 we (or our affiliate)-owned business (each, an ‘**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 Operations Manual. This fee is a sliding scale, which may be, in our sole discretion, as low as \$50 or as high as the \$10,000 limit. The amount of the fee will be determined by us in our sole discretion based upon several factors, including the materiality of the non-compliance, the number of events of non-compliance, the

diligence of your attempts to cure, if curable, and our then current System standards. This includes, but is not limited to, reporting requirements, failure to attend training or conventions, 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.). Each event of non-compliance also constitutes an event of default under your Franchise Agreement, allowing us to exercise any remedies we may have under the Franchise Agreement, including termination.

- (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) 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 the higher of the then-current Index or an increase of 3% per year; except to round upwards to the nearest whole dollar. The term 'Inflation Adjustment' refers to our right to increase a fee, or option to decrease a fee, based upon an increase or decrease in the Index. The Index refers to the CPI-U (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 we 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. Our 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.
- (11) Our decision to grant you either an additional Zone or fractional Zone will be based on our then-current criteria for expanding Designated Territory, which currently are that 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) have been open and operating for at least 12 months at the time of your request; (iii) complete our then-current form of franchise expansion application; (iv) demonstrate sufficient market penetration in your current Zone(s); (v) demonstrate the business case for expansion of the Designated Territory; (vi) pay our then-current expansion fee; (vii) sign our then-current form of expansion agreement (which may be either a Zone amendment or a new franchise agreement) (and new franchise agreements will be subject to franchise registration and disclosure laws); and (viii) meet our then-current criteria for new franchisees. We may consider the following factors when evaluating future expansion requests:

We currently limit the number of Zones you may purchase to 1 Zone. 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 may determine from time to time.

- (12) 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 your 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 (1)	Amount	Method of Payment	When Due	To Whom payment Is To Be Made(1)
Initial Franchise Fee (Note 3)	\$45,000 to \$65,000	Lump sum	When you sign the Franchise Agreement	Us
Rent - (Note 4)	\$1,600 to \$4,500	As arranged	As arranged	Landlord
Lease, Utility and Security Deposits (Note 4)	\$2,000 to \$5,000	As arranged	As arranged	Landlord, Utility Companies
Paint and Signage for Service Vehicle (Note 5)	\$3,100 to \$5,500	As arranged	As incurred	Approved Suppliers
Down Payment on Service Vehicle (Note 6)	\$3,000 to \$24,000	As arranged	As incurred	Approved Suppliers
Equipment and Hand Tools (Note 7)	\$2,000 to \$8,000	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)	\$7,500 to \$24,000	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
Preopening Business Ramp Up Advertising (Note 13)	\$9,500 to \$11,000	As arranged	As arranged	Suppliers
Additional Funds (3 months) (Note 14)	\$80,000 to \$120,000	As arranged	As needed	Us, suppliers, employees and other creditors

Type of Expenditure (1)	Amount	Method of Payment	When Due	To Whom payment Is To Be Made(1)
TOTAL ESTIMATED INITIAL INVESTMENT (Note 15)	\$158,700 to \$283,500			

Notes:

- (1) This Item 7 is based on the purchase of 1 standard Zone and 1 Service Vehicle. The low end of the range assumes you purchase either the College Hunks Hauling Junk® concept or the College Hunks Moving® concept. The high end of the estimated initial investment assumes that you are purchasing both the College Hunks Hauling Junk® and College Hunks Moving® concepts.

If the expenses listed in this Item 7 vary for ‘small market’ franchises or conversion franchises, we address those variations in the Notes to Item 7.

- (2) Fees payable to us are nonrefundable except as described in Item 5. Refundability of fees paid to third parties depends on the terms you negotiate with them.
- (3) Initial 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 \$45,000 to \$65,000.

If you are purchasing a small market franchise, 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 1,000 square feet for your Franchised Business. The costs for rent and security deposits will depend on the size and location of the space you choose to rent and your creditworthiness, among other things. You may not operate your Franchised Business from your home.
- (5) Paint and Signage for Service Vehicle. You must purchase the branded vehicle wraps we specify from a supplier we designate. You must 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 2 trucks. If you are a conversion franchise, you must wrap and letter your existing trucks to our specifications.
- (6) Down Payment on 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 substantially more. Our current service vehicle specifications are included in our Operations Manual and are subject to change.

Junk Truck. The truck you must use in the College Hunks Hauling Junk® concept must have our custom designed dump bed, which is separate from the truck manufacturer's specifications and design. The estimated cost of a new junk truck is \$65,000. 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. 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 \$3,000 to \$4,000.

Moving Truck. The estimated cost of a new moving truck is \$82,000. These estimates assume that these vehicles are financed. If you purchase the truck, 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, outward and inward facing vehicle cameras, 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.

The high end of this estimate assumes you are purchasing the College Hunks Moving® concept, which requires the purchase of 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.

- (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. Some states have 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, an accountant and possibly other professionals.
- (11) Insurance. The chart reflects our estimate of insurance premiums paid during your preopening process only. Some insurance carriers may require annual, semi-annual, or quarterly premium payments. 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 or more trucks and the additional insurance required to provide moving services, such as cargo insurance and employee dishonesty insurance. You must obtain the amounts and types of coverage to comply with our System Standards.

- (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) Pre-opening Business Ramp Up Advertising. You will conduct a preopening advertising campaign to promote your Franchised Business before 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. We must approve your business preopening advertising campaign before you use it. We may require you to pay this money to us and we will spend it on your behalf using the marketing methods that we have identified as being most effective.
- (14) Additional Funds. You will need capital to support ongoing expenses, such as payroll, utilities, vehicle fuel and maintenance, and local advertising if these costs are not covered by sales revenue during the start-up phase, which we estimate to be 3 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. Additional funds relate only to costs associated with operating your Franchised Business and do not cover any owners' draw or personal, 'living,' unrelated business or other expenses you may have, such as debt service on any loans, state sales and/or use taxes on goods and services, and a variety of other amounts not expressly described and included in the Notes above. For the avoidance of doubt, this Item 7 assumes you will not draw a personal salary or self-payment for at least the first twelve (12) months of operation.
- (15) The estimates provided above apply to the pre-opening process only (except for Additional Funds) and assume that you will have 1 service vehicle and own 1 standard Zone. We relied upon our principals' and affiliates' experience in providing junk removal since 2005 and moving services since 2011 when preparing these figures. This amount is merely an estimate and we offer 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.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Us or our Affiliates

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. 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 Technology 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. We reserve the right to earn a profit from the sale of certain items to our franchisees.

You must also participate in ACUTE FS operated by our affiliate, NOR, which is the exclusive service provider of the bookkeeping services for your Franchised Business. F&S, along with Rowan Cowan, our Brand President, are the sole holders of the ownership interests in NOR. Currently those services include, but are not limited to, recording and reconciling payroll, recording accounts payable and receivable, preparing your month-end reports, and reconciling your bank and credit card statements. You may also, at your option, engage NOR to perform payroll services for your Franchised Business. A full list of all the current services provided by NOR is set forth in the Operations Manual and may be updated from time to time. As described in more detail in Item 6, NOR will charge you a monthly fee for such services based on your monthly revenue to cover the costs and expenses of operating ACUTE FS, including personnel costs. NOR may earn a profit from the provision of such bookkeeping services. In 2022 NOR received \$903,379 in revenues from franchisee use of its services.

We and our affiliate, NOR, are approved suppliers as described above. None of our other affiliates are 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. 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 make and model of your approved service vehicles for providing junk removal services and moving services are found in our list of approved suppliers. If you are opening a new franchise, the model year of your service vehicle(s) must be the year in which you begin operating your Franchised Business or newer. If you purchase an existing Franchised Business and you find that you need to add additional service vehicles, then the model year of your service vehicle(s) must be the year in which you begin operating your Franchised Business or newer. 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. Each service vehicle must have a vehicle wrap in the design we designate which must be purchased from a supplier we approve. You must have a smartphone (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 represents between 55% to 80% of the total purchases you will make in connection with the establishment of your Franchised Business and between 30% to 35% of the total purchases you will make on a continuing basis in operating your Franchised Business.

During 2022, we received \$45,074.24 in rebates or other revenue or benefits from suppliers arising out of franchisees' required purchases of goods or services, which represents 1% of our total 2022 revenue of \$32,396,168.

During 2022, we collected no payments from franchisees 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.

We require all of your appointments to be scheduled, processed, reviewed, and delivered by the designated SLC. The SLC will disperse all jobs to you and our other franchisees based upon the location

where the job originates. You are also permitted to take on jobs if you generate leads on your own, but you must report all information in our proprietary software 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, products, supplies and services from the supplier(s) we designate. We or our affiliates may be the exclusive designated supplier of some or all equipment, products, supplies and services. We reserve the right to charge a reasonable mark-up on equipment, products, supplies and services that you are required to purchase from us. All equipment, products, supplies and services that you purchase must meet our minimum standards and specifications and be 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 are currently no purchasing or distribution cooperatives, but we may have them in the future. 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 limit the number of approved vendors or approved suppliers with whom you and other franchisees may deal.

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.

Standards and Specifications

We have developed standards and specifications for the services your Franchised Business will offer. 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.

You may sell only junk removal services and moving services that we approve in strict conformity with our Operations Manual (the '**Approved Service(s)**'). You must offer all of the Approved Services at your Franchised Business as we require from time to time. We will provide you with at least 30 days' notice of a change in Approved Services.

We have established a 'mystery shopper' program and 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 at your expense. We will pay for the costs related to any mystery shop. However, if your Franchised Business has a significant amount of negative feedback, we may 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, the test marketing of 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 types and amounts of insurance coverage that we periodically require. Our required insurance 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. We have established a captive insurance program for certain types of insurance. Currently, only automobile, general liability, and workers' compensation insurance may be placed into the captive insurance program. Participation in the captive program is voluntary. We have sole discretion in determining who is admitted into the captive program. We base our decision to accept you into the captive program on a variety of factors, such as premium amounts, operational experience, and safety awareness and training. You will be required to sign a separate agreement before being admitted into the captive program.

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 and that you obtain technology errors and omissions coverage, including network security/privacy.

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 your 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.

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 your Franchised Business. We anticipate that each franchisee will add service vehicles to better service your 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 your Franchised Business with one new 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. You must always have at least one branded service vehicle in operation for each service provided.
- (2) You must add a second service vehicle for each service provided (i.e., junk removal and/or moving) when your Franchised Business achieves Gross Sales of \$25,000 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 \$25,000 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 dedicated 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 service vehicles at the rate of at least one service vehicle 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 service vehicle and one moving service vehicle. We reserve the right to alter these basic requirements for particular franchisees based on their particular circumstances. Your failure to meet these service vehicle rollout requirements constitutes a material default under the Franchise Agreement. New rollout requirements will be set when you renew your Franchise Agreement. Similarly, new rollout requirements will be set when adding Zone(s) mid-term.

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	Section 9.2	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 and VIII	Item 12
(l) On-going product/service purchases	Article V, IX, X and XI	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 XIX	Item 17
(w) Non-competition covenants	Article XV	Item 17
(x) Dispute resolution	Article XXII	Items 11 and 17
(y) Liquidated Damages	Article XIX	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.

Franchisor’s Pre-Opening Assistance

Before you open your 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 may 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 two management personnel is included in your initial franchise fee, excluding transportation, lodging, meals, compensation, and other expenses incurred by your personnel in attending initial training. (Franchise Agreement - Section 5.3). Initial 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 may 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 5.21).

Franchisor’s In Term Assistance

During the operation of your 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 in addition to the SLC system, which is made available 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 which the leads originate. (Franchise Agreement - Section 5.14 and 5.17)

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, and (e) standards of customer service for your personnel relating to customer engagement and handling customers' property (but expressly excluding requirements related to the hiring, firing, disciplinary actions, compensation and benefits of your personnel, which will be in at your sole discretion). We may further establish standards for all other matters that in our sole judgment require standardization and uniformity in all Franchised Businesses. (Franchise Agreement - Article VI)

Advertising

We are not required to spend any amount on advertising in your area or territory.

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 '**Brand Development Fee**'). We use the Fund 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. We may spend the Fund on any of the following: (1) website development and advertising (including costs of developing, maintaining, and integrating portions of such websites related to franchisees' employee recruiting and retention and general maintenance and administration); (2) national, local or regional advertising, media, promotion or marketing or national, local or regional public relations programs; (3) other activities connected to the promotion and marketing of the Proprietary Marks and the System; (4) retaining advertising and/or public relations agencies or personnel in relation to developing advertising; (5) general and administrative expenses, including personnel and other departmental costs related to advertising, recruiting and retaining field staff, that we internally administer or prepare; (6) test marketing; (7) market research, including surveys of advertising effectiveness; (8) production of new commercials, creative concept production, and other promotional and advertising materials and programs; (9) software; (10) the Fund's administrative costs; (11) the fees and/or salaries of professionals who provide marketing, advertising, public relations, recruiting, or legal services related to the Fund, protecting and enforcing our Proprietary Marks, and/or providing services to the franchise network (whether such professionals are inhouse or outside our organization); and (12) other purposes we deem beneficial for the general recognition of the Proprietary Marks and the System. We may reimburse ourselves out of the 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 Fund. We may direct all advertising activities of the Fund with sole discretion over creative concepts, materials and media used, as well as their placement and allocation. 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 may determine, in our sole discretion, the composition of all geographic and market areas for the

implementation of these advertising and promotional activities. In 2022, no percentage of the Fund was used principally for the solicitation of new franchise sales.

The purpose of the Fund is to maximize general public recognition in all media of the Proprietary Marks and patronage of College Hunks Hauling Junk® and College Hunks Moving® Franchised Businesses. We have no obligation to ensure that expenditures of the Fund in or affecting any geographic area are proportionate or equivalent to franchisees' contributions to the Fund operating in any particular geographic area, or that any Franchised Business will benefit directly or in proportion to its contributions to the Fund for the development of advertising and marketing materials or the placement of advertising. There is no minimum amount we must spend on advertising in the geographic area in which your Zone(s) may be located. We may 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 20% 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.

All Franchised Businesses are required to contribute to the Fund, but some older Franchised Businesses may contribute at lower rates. 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 audit the Fund every year. 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 elect, at our sole option, to incorporate the Fund or operate it through a separate entity.

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 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 2022, the Fund expended monies for advertising as follows:

Item	Percentage Expended
Software	1%
Marketing and Advertising	57%
Administration	21%
Professional Fees	4%
Recruiting	17%
TOTAL	100%

Local Advertising

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. Additional marketing strategies include, but are not limited to, ‘parketing’ and Zip Code Influenced Guerilla Marketing Attack (**‘Z.I.G.M.A.’**). ‘Parketing’ involves parking your service vehicle in a high traffic/high visibility area for marketing/recognition purposes. Z.I.G.M.A. involves identifying which zip codes in your Designated Territory are most likely to result in the greatest return on your marketing investment.

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 to 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 not approved in writing. Advertising promotional or marketing materials which we must approve include any such materials published in any form of electronic media, including the Internet, mobile applications, social media pages, content and email marketing, influencer marketing, banner ads and text message marketing. You may not operate any website involving, referring to or in any way related to any business that offers the junk hauling or moving services (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.

If we determine that you are not complying with the minimum local advertising requirements, we may require that you remit to us the minimum local advertising spend we will conduct local advertising on your behalf using the marketing methods that we have identified as being the most effective, provided we do not guarantee that any such methods will increase your sales, satisfy any minimum return on investment or otherwise be successful.

Advertising Cooperatives

We may, at our sole option, 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 be required 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 business 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 your review. Cooperatives do not need to prepare annual or periodic financial statements, but if they are prepared, you may review them. 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 will conduct business ramp-up advertising in connection with the grand opening of your Franchised Business and must be conducted during the first 180 days of commencing each concept that you purchase (i.e., junk hauling and moving). If we do not approve your plan, we may request that you remit to us the funds 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, provided that we do not guarantee any minimum return on investment, sales, or the success of such campaign.

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 to serve 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 may form, change, merge or dissolve any council at any time.

We currently have one advisory council which includes 8 franchisee representatives and 5 franchisor representatives described in more detail in Item 20.

Internet and Social Media

We will establish one or more websites to advertise, market and promote your Franchised Businesses, the services your Franchised Business offers and sells, and/or the Franchised Business franchise opportunity. Within the website, we will designate a web page for your Franchised Business. We will implement and periodically modify standards for any such website and individual web pages. You may not establish a website for your Franchised Business, other than the web page(s) designated to describe your Franchised Business, which will be located within the website.

We maintain a social media presence on behalf of the franchise network. This means we monitor and address social media posts that generally relate to the Proprietary Marks and our brand. We will assist you with establishing an online social media presence for your Franchised Business. We may provide you with advertising materials and draft social media posts, which you may opt out of or choose to use. We may provide you with training on marketing and social media to enable you to create content for your Franchised Business. 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, Twitter, Pinterest, Snapchat, and Instagram), 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 120 and 150 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 150 days after you sign the Franchise Agreement. Notwithstanding the foregoing, variations in state and local laws and licensing requirements may significantly affect the timeframe in which you can open your Franchised Business. We may, in our sole discretion, agree to waive and/or alter these timeframes to accommodate such requirements, after you provide us evidence of these requirements and your diligent efforts to comply with them.

You will need to lease approximately 1,000 square feet of office space for your Franchised Business. You cannot use your or any other residence as the office for your Franchised Business. The office for your Franchised Business must be open and operating no later than 90 days after the first date you either receive revenue or provide services. No site selection assistance is provided but the office location is subject to our acceptance based on our current standards for office space. Factors we consider in accepting your site for approval include, without limitation, cost of the space, size of the space, parking availability for your Service Vehicle(s), access to a bay door, term of the lease, whether the site has a unique address, and the location of the site within your Designated Territory. We will notify you within 30 days of submission of a site whether it is accepted. If we do not accept your proposed office, you must look for another location. We may assist you with a search for a suitable office if you are having trouble finding suitable space. If you repeatedly fail to timely secure office space, we may terminate the Franchise Agreement.

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 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

Before your Franchised Business's opening and within 90 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). 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 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 and amounts incurred by us in providing initial training, provided you and your owners execute an agreed termination of the Franchise Agreement and general release in the form prescribed by us.

We will also provide additional training programs, refresher courses or 'on-the-job' training at a mutually convenient time. We also reserve the right to conduct driver safety training program(s) and general safety training program(s), in our sole discretion, 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 \$750 for the first attendee, \$500 for each additional attendee, plus travel and lodging.

The materials we use in conducting our training program include our Operations 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 6-8 times a year. We project the following training schedule:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Brand Central and Communication Information	1	0.25	Virtual
History, Vision, Values, & Culture	3.25	0	Virtual
Common Pitfalls of the Franchisee	1.25	0	Virtual

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Key Performance Indicators & Driving the Sales Funnel	1.25	0	Virtual
College HUNKS Financial Management & Accounting	2	0	Virtual
Recruiting Strategy, Retention, & Team Roles	1.25	0.25	Virtual
Basics of Pricing	1	0	Virtual
The Seven Spinning Plates – Roles & Responsibilities	1.25	0	Virtual
HUNKWare (Proprietary Software) Overview & Practice	3	1	Virtual
Winning the Marketing War in Your Market	1	0	Virtual
Ramp-Up Marketing – Digital & Social	.5	0	Virtual
Everyday Marketing Tasks	1	0	Virtual
Sales and Loyalty Center (Contact Center) Overview	1.25	0	Virtual
Welcome, Confirmation, & Missing Leads Calls: Role Practice	2.25	1	Virtual
Sales Opportunities, Networking, & Strategic Partnerships	1	0	Virtual
Move Estimating, Paperwork, Claims, & Sales	4	0	Virtual
Safety Program Introduction	1	0	Virtual
Brand Compliance Introduction	0.75	0	Virtual
Junk Binder Presentation & Junk Captain Training	1	0.5	Virtual
TOTAL	29	3	Virtual

Notes:

- (1) It is the nature of the business that all aspects of the training are integrated so there are no definitive start and stop 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) On-the-job training described above includes hands-on practice and roleplay hosted at our Tampa headquarters, as well as firsthand experience at our Tampa Corporate location.

- (3) Niccole Kaio, our Learning and Development Manager, has primary responsibility for providing the initial training program. She has 5 years of experience delivering our training program and 9 years of experience in the field. Our other instructors include:
- (a) Sean Hall, Franchise Ramp Up Coach: He teaches Recruiting Strategy, Retention & Team Roles and Junk Binder Presentation & Junk Captain Training and has 2 years of experience delivering our training program and 4 years of relevant experience.
 - (b) Makenzie Cann, Marketing Coordinator: She teaches Ramp UP Marketing – Digital and Social Media Strategy and has 2 years of experience delivering our training program and 2 years of relevant experience.
 - (c) Chris Reynolds, Safety Specialist – He teaches Safety Program Introduction and has 4 years of experience delivery the training program and 16 years of relevant experience.
 - (d) Bryan Cross, Senior Franchise Business Consultant: He teaches Everyday Marketing Tasks, College HUNKS Financial Management & Accounting, Sales Key Performance Indicators, and Seven Spinning Plates and has 3 years of experience delivering our training program and 3 years of relevant experience.
 - (e) Nick Friedman, Co-Founder: He teaches History, Vision, Values, & Culture of College Hunks Hauling Junk and has 15 years of experience delivering our training program and 15 years of relevant experience.
 - (f) Vasilis ‘Billy’ Markou, Franchise Business Coach and National Move Coach: He teaches Move Estimating, Paperwork, Claims, & Sales, Hunkware Overview & Practice, and Outbound Calls Procedure & Practice and has 4 years of experience delivering our training program and 8 years of relevant experience.
 - (g) Mary Mills, Vice President of Marketing: She teaches Winning the War in Your Market and has 4 years of experience delivering our training program and 14 years of relevant experience.
 - (h) Travis Mellish, Director of Legal Affair and Human Resources: He teaches Brand Compliance Introduction and has 4 years’ experience delivering our training program and 4 years of relevant experience.
 - (i) Adam Verrill, Sales and Loyalty Center Director: He teaches Sales and Loyalty Center Overview and has 3 years of experience delivering our training program and 6 years of relevant experience.
 - (j) Dan Whalen, Director of Operations: He teaches How to Train Your HUNKS – Creating Culture & Resources to Use and has 2 years of experience delivering our training program and 7 years of relevant experience.
 - (k) Laura Butcaris, Vice President of National Accounts and Strategic Alliances: She teaches Sales Opportunities, Networking, & Strategic Partnerships and has 7 years of experience delivering our training program and 7 years of relevant experience.

- (1) Kelsie Ackman, Senior Vice President of Franchise Development and Legal Affairs: She teaches Common Pitfalls of the Franchisee and has 7 years of experience delivering our training program and 7 years of relevant experience.
- (4) Our training materials include PowerPoint presentations, handouts, workbooks, video, and hands-on training experiences.
- (5) 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 meeting System standards. You must pay us an enrichment training fee of \$550 per person. You are also responsible all expenses you and your trainees or our instructors may incur in traveling to the training, including but not limited to, salaries, lodging, food, and travel. Enrichment training may include any or all of the following: (1) that you must attend additional training at our headquarters; (2) that we may send one of our trainers to your Franchised Business to provide additional training; (3) that we may require you to visit another Franchised Business for additional training; and (4) that we may require you to participate in periodic conference calls. The length and content of the training will be determined by your current needs as determined entirely in our discretion. Your Franchised Business may be deemed to not be performing satisfactorily if you are in default of your obligations under the Franchise Agreement, the Operations Manual, or the System standards.

Computer Systems and Software

Currently, you must purchase a computer whose configuration satisfies the minimum standards set forth in the Operations Manual and utilize the required and proprietary software, point-of-sale system, phone systems, software or hardware firewall, and other computer or technology equipment that we designate from time to time (collectively the ‘**Technology System**’). We will not have independent access to your Technology System. You must enter into an ongoing maintenance contract for your computer. You must provide us with your user ID and password for your QuickBooks account for audit and inspection purposes.

You must maintain a dedicated business e-mail account for your 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 certain functions for operating your business: 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 Technology Fee. However, neither we nor our affiliates provide any other updates, upgrades or maintenance for your computer or any other components of your Technology System.

There are no specific contractual obligations limiting the frequency or cost of your obligation to acquire upgrades and updates for the computer or other components of your Technology 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 Technology System will be between \$1,000 and \$2,000.

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 SLC, however, we reserve the right to request additional data and records from you. All data collected will be solely 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 in your Technology System. You may also be asked to grant our affiliate, NOR, access to your bank or credit card accounts, point-of-sale system, and payroll processing systems. 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 your 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. At all times you must independently investigate and comply with all federal, state, and local laws regarding data privacy, protection, and security, including without limitation, any requirements regarding collection of the personally identifiable information of your customers. You must immediately inform us in writing of any requests you may receive from customers regarding the collection, processing, storage, or use of such personally identifiable information.

You must use ACUTE FS, which will provide our affiliate NOR and us access to your financial information which we may use 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 or our affiliates under the Franchise Agreement or the Operations Manual.

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 525 pages.

ITEM 12 TERRITORY

Franchise Agreement

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We will grant you a Designated Territory within which to operate your Franchised Business, which will include each Zone you purchase during the term of the Franchise Agreement (the ‘**Designated Territory**’). 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. 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. If you fail to comply with any of your obligations under the Franchise Agreement or the standards and specifications in the Operations Manual, we may reduce the size of your Designated Territory or revoke your right to any protections from sales of other franchisees in your Designated Territory either temporarily or permanently during the term of your Franchise Agreement. (Franchise Agreement - Sections 18.1.9 and 18.1.10)

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 may operate such other franchise concept, or to grant a franchise to another franchisee to operate such other concept, within your Designated Territory. However, during your initial term, if we have not already made such a sale of the other concept in your Designated Territory and you are in full compliance with the terms and conditions of your Franchise Agreement, you may purchase the right to operate the additional franchise concept for a fee of \$45,000, so long as 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 and enter into an amendment to your franchise agreement reflecting the additional Zone in a form prescribed by us. If you are not in full compliance with the terms and conditions of your Franchise Agreement, you will not be eligible for 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. Further, if a customer in your Designated Territory requests a service you cannot or will not offer, such as long-distance moving, then we reserve the right to provide that service through another franchisee or affiliate. Any jobs already scheduled and assigned to another franchised business (or us) in your Designated Territory as of the Commencement of Business (as defined below) of your Franchised Business will remain with that franchised business (or us). Any jobs scheduled on or after the Commencement of Business of your Franchised Business will belong to your Franchised Business.

While we encourage you to expand to your maximum potential, if you wish to acquire 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 profitable or otherwise be successful. If we grant you any options or rights of first refusal to acquire additional Zone(s) or franchises, we will do so in writing at the time of signing the Franchise Agreement. We may periodically change the qualifications and criteria for purchasing additional Zones.

If, after signing your Franchise Agreement, you wish to purchase additional (contiguous) Zones or another franchised business during the term of your Franchise Agreement, you must submit our then

current form of franchise expansion application included in our Operations Manual or otherwise made available. You will not be eligible to purchase any additional Zone(s) or another franchised business unless you 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 12 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;
- (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 your Franchised Business, and other assets that can be liquidated in less than one week;
- (c) You must submit a business plan, an annual financial statement for your 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 your 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 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 we approve your request to acquire additional Zone(s) after you commence operations of your Franchised Business as described above, 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 the new Franchise Agreement may, in our sole discretion, be modified to expire on the expiration date of your existing Franchise Agreement. We reserve the right to require you, in our sole discretion, to establish an additional office for each Zone you operate.

If we grant you any options or rights of first refusal to acquire additional Zones or franchised businesses, we will do so in writing at the time of signing the Franchise Agreement. You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises or territories.

You, or your pre-approved designated manager who has attended and successfully completed the initial training, must devote full-time efforts to promote and increase the sales and services of your Franchised Business to maximize distribution and sale of products and services in your Designated Territory and to solicit potential clients and accounts for junk removal and/or moving services within such Designated Territory. Except for the requirement to achieve the Minimum Annual Royalty described below, continuation of your territorial rights 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), take back the line of business, 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 a second or subsequent time.

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

Year of Operations	Move - Minimum Annual Royalty (Per Zone)*	Junk - Minimum Annual Royalty (Per Zone)*
1	\$16,100	\$8,050
2	\$17,787	\$8,893
3	\$19,473	\$9,737
4	\$21,467	\$10,733
5	\$22,540	\$11,270
6	\$23,613	\$11,807
7	\$24,840	\$12,420
8	\$26,067	\$13,033
9	\$27,293	\$13,647
10	\$28,673	\$14,337

The minimum annual gross revenue required to achieve the Minimum Annual Royalty for the College Hunks Hauling Junk® and College Hunks Moving® lines of business is below:

Year of Operations	Move Minimum Gross Revenue Required to Achieve Minimum Annual Royalty	Junk Minimum Gross Revenue required to Achieve Minimum Annual Royalty
1	\$230,000 per Zone	\$115,000 per Zone
2	\$254,095 per Zone	\$127,048 per Zone
3	\$278,190 per Zone	\$139,095 per Zone
4	\$306,667 per Zone	\$153,333 per Zone
5	\$322,000 per Zone	\$161,000 per Zone
6	\$337,333 per Zone	\$168,667 per Zone
7	\$354,857 per Zone	\$177,429 per Zone
8	\$372,381 per Zone	\$186,190 per Zone
9	\$389,905 per Zone	\$194,952 per Zone
10	\$409,619 per Zone	\$204,810 per Zone

*Continuing Royalty Fees paid in excess of the Minimum Annual Royalty in any Zone that you operate is neither applied to nor will it offset any shortfall due to us in any other Zone. If you operate both the College Hunks Hauling Junk® and College Hunks Moving® lines of business, you must achieve the Minimum Annual Royalty for each line of business found in the chart below. If you operate both the College Hunks Hauling Junk® and College Hunks Moving® lines of business, the excess royalty from one line of business will not offset a minimum royalty deficiency due from the other line of business.

The first year of operations begins on the ‘**Commencement of Business,**’ which is the date that your Franchised Business first receives any revenues or provides any Services, whichever occurs first. The first year of operations ends on December 31st of the year your Franchised Business first receives any revenues or provides any services. The Minimum Annual Royalty for Year 1 is prorated by the number of days your Franchised Business was open compared to 365 days in a year. Each subsequent year of operations is measured from January 1st to December 31st.

If the Franchise Agreement relates to the renewal of an existing franchise, the Minimum Annual Royalty will be the amount set forth under year 10 of the initial term of the franchise for the entire renewal term. Similarly, if the Franchise Agreement relates to the transfer of an existing franchise, the initial 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.

You may operate your Franchised Business within the Designated Territory, subject to certain rights reserved to us (as set forth below) and provided you do not fail to generate the level of Gross Sales that correspond to the Minimum Annual Royalty Amount described, in which case we may exercise our right to modify or remove your exclusivity in the Designated Territory, or take back the line of business which failed to generate the level of Gross Sales that correspond to the Minimum Annual Royalty. We reserve 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 we deem 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 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;
- (c) 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;
- (d) to offer and sell, and grant rights to other franchise owners to offer and sell, any services that you do not or will not offer, such as long-distance moving services, in the Designated Territory whether identified by the Proprietary Marks or other trademarks or service marks, through any distribution channels we deem best;
- (e) 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 XXIII of the Franchise Agreement; and
- (f) 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 or profitable. 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. Notwithstanding the foregoing, 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, we reserve 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 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. Trash Butler has been designated 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.

National and Regional Accounts

We have developed 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. You must sign and deliver to us, on our standard form, a National Accounts Program '**Participation Agreement**', a form of which is attached as Exhibit I.

You must participate in the National Accounts Program 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 resolve the concerns, 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 must 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**’) and sign an amendment to the Franchise Agreement in a form prescribed by us. We may immediately terminate your right to service clients in the Leased Zip Codes upon written notice for any reason. You may stop providing services in any of the Leased Zip Codes upon 30-days written notice for any reason. Your services in each of 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 each of 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 minimum and/or maximum pricing guidelines for your service offerings. You will not be eligible to service clients in the Leased Zip Codes unless you are in good standing under the term of your Franchise Agreement and meet our then-current qualifications and criteria for expansion.

Buy-Back Option

We have the right, at any time after the 60th month of your operation of your Franchised Business, to buy back your Franchised Business (all Zones) for a purchase price that is 5 times normalized EBITDA (earnings before interest, 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 solely owned by us, as assigned to us pursuant to that certain Trademark Assignment Agreement for Recording by F&S in our favor dated January 29, 2021.

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 H.U.N.K.S. HAULING JUNK and design	9/13/2022	6,842,625	Principal

Mark	Registration Date	Registration Number	Register
COLLEGE H.U.N.K.S MOVING	8/16/2022	6,817,833	Principal
COLLEGE H.U.N.K.S. HAULING JUNK and design	5/3/2022	6,718,442	Principal
COLLEGE H.U.N.K.S. HAULING JUNK	5/3/2022	6,716,834	Principal
COLLEGE H.U.N.K.S. HAULING JUNK & MOVING and design	3/17/2020	6,013,242	Principal
COLLEGE H.U.N.K.S. HAULING JUNK & MOVING	3/17/2020	6,013,241	Principal
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	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
1-800-JUNK-USA	11/29/2011	4,063,075	Principal
COLLEGE HUNKS	02/23/2016	4,904,899	Principal
HEROIC BRANDS	03/13/2018	5,422,838	Principal

We intend to file all affidavits and to renew its registrations for the Marks when they become due.

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

CHHJ Franchising, LLC owns the Marks listed in Item 13 of this Disclosure Document.

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 authorized use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in full compliance 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 full compliance with your Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by you. 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. We will reimburse you for your out-of-pocket costs in doing these acts unless the litigation arises from or is related to your use of the Proprietary Marks in any manner that is inconsistent or unauthorized under the terms of your Franchise Agreement, in which case you will be solely responsible for all such out-of-pocket costs.

There are no prior superior rights or uses actually known to us that could materially affect your use of the Proprietary Marks in the United States.

You must conspicuously post a sign and include on all written materials (including without limitation advertisements and promotional materials, invoices, stationery, business cards, employee handbooks, payroll checks and employment applications) and on your service vehicles the following: 'Independently owned and operated by: [Insert Your Name].'

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 Franchise 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 Franchise 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 Franchise 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 or our proprietary and confidential information in the United States.

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 your 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 your 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’ means’ (i) the System and System Standards; (ii) the Software; (iii) information in our Manual; (iv) methods, formats, specifications, standards, procedures, criteria, techniques, knowledge and experience used in developing and operating businesses similar to the Franchised Business; (v) market research; (vi) promotional, marketing, advertising, public relations, customer relationship management, and other brand-related materials and programs for businesses similar to a Franchised Business; (vii) knowledge of specifications for, suppliers of, and methods of ordering supplies, services, products, and materials that businesses similar to the Franchised Business use and sell; (ix) knowledge of the operating results and financial performance of franchised businesses other than the Franchised Business; (x) Franchisor Data, customer communication and retention programs, and the data used or generated in connection with those programs; (xi) strategic plans, including expansion strategies and targeted demographics; (xii) information generated by, used, or developed in operating the Franchised Business, including customer data, and any other information contained from time to time in the Software; (xiii) 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; (xiv) information related to our accumulated skills and experience that is an economic asset and which, if disclosed without our authorization, could place us at a competitive disadvantage; and (xv) any other information we reasonably designate as confidential or proprietary.

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 your 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 your 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 Managing Owner or a manager we approve and who has successfully completed training must at all times directly supervise your Franchised Business. The Managing Owner and/or the approved 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 your 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 your Franchised Business. If your approved manager will be responsible for supervising the day-to-day operations of your Franchised Business, we may, in our sole discretion, require him or her to have at least a 10% ownership interest in your 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 your 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 your Franchised Business, adversely affect your Franchised Business, or conflict with your or their obligations under the Franchise Agreement.

We require that you obtain from your manager and other key employees their written agreement 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 may 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 C to the Franchise Agreement. You must also complete

and deliver to us a Principal Owner's Statement, in the form attached as Exhibit F 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 your Franchised Business solely for the operation of College Hunks Hauling Junk® and College Hunks Moving®, as applicable. 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 your Franchised Business for any other purpose or activity at any time without first obtaining our written consent. You must operate your 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 SLC; 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® concepts; 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 may 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, our affiliates, or another franchisee that we authorize 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 SLC, you may not perform the requested services until you provide all applicable information to the SLC.

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

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 reusable moving boxes, moving or storage containers, roll-off 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 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 4.2	Provide not less than 180 days but no more than 240 days' notice; must have fully performed all obligations under the Franchise Agreement; must not be in default of the Franchise Agreement and any other agreements with us, our affiliates, subsidiaries or designees, must not have received more than 2 notices of default during the Initial Term, must not be in default of any obligations of any agreements with third parties relating to the operation of the Franchised Business; must meet our then-current standards for accepting new franchisees; must have timely satisfied all monetary obligations due to us, our affiliates, subsidiaries, or designees during the Initial Term; must have secured the right to continue operating Office; must have attended all annual conventions held during the Initial Term, unless we excused the absence; must sign our then current form of franchise agreement, the terms and conditions of which may differ materially from the Franchise Agreement; must sign release, and pay renewal fee. When the Renewal Term begins, you

Provision	Article in Franchise or Other Agreement	Summary
		must: comply with System Standards; comply with the requirements of the renewal franchise agreement; comply with our then current training requirements; and comply with our requests for disclosure of or access to information to evaluate your ability to perform your obligations during the Renewal Term.
(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	
(f) Termination by franchisor with cause	Article XVIII	Commit any Event of Default set forth Article XVII of the Franchise Agreement that extends beyond any applicable cure period; see Articles XVII and XVIII.
(g) 'Cause' defined - curable defaults	Sections 17.2 and 17.3	Failure to timely pay amounts owed us or our affiliates; purchase of products from an unapproved supplier; failure to timely submit information as required by the Franchise Agreement; failure to obtain our consent as required by the Franchise Agreement; failure to accept our buyout; failure to allow us to inspect the Franchised Business or its books and records; failure to perform Services; failure to satisfactorily resolve 3 or more open customer complaints; 3 or more negative online reviews of the Franchised Business; failure to respond to calls; failure to book the required number of Services requests when the Franchised Business has the capability to do so; failure to timely cure a default under the Franchise Agreement; violation of law; act or omission that impacts your ability to legally provide Services; notice of a violation of law; failure to attend or timely cancel attendance at the Training Program; failure to register for or attend the Training Program; failure to satisfactorily complete the Training

Provision	Article in Franchise or Other Agreement	Summary
		Program; failure to adhere to Service Vehicle rollout schedule; failure to timely submit certificates of insurance.
(h) 'Cause' defined - non-curable defaults	Section 17.1	Abandonment; failure to timely commence operations of the Franchised Business; loss of right to use the Office; failure to timely cure default under another agreement between you and your affiliates or us and our affiliates; failure to timely cure default under an agreement relating to operation of the Franchised Business; conviction, settlement, or no contest plea in a criminal or civil action involving a felony, fraud, moral turpitude, or any other conduct we believe is reasonably likely to have an adverse effect on our brand; material misrepresentation; failure to maintain required insurance; 2 defaults in a 6-month period or 3 defaults in a 12-month period, whether or not such defaults are cured; you knowingly maintain false books and records; unauthorized use of Confidential Information; violation of the Manual or code of conduct; filing for bankruptcy or assignment for the benefit of creditors, receivership, insolvency, foreclosure, or dissolution of the Franchised Business; providing services within the designated territory of another franchisee or in areas reserved for us or an affiliate; unexcused failure to attend the Annual Convention; unauthorized use of Proprietary Marks, Copyrights, or Confidential Information; our determination that you or your Managing Owner is not qualified to operate your Franchised Business; participation in a business or marketing of a product or service which is confusingly similar to the Proprietary Marks; failure to achieve Minimum Annual Royalty for any 2 years of operation; violation of any non-competition covenant; unauthorized

Provision	Article in Franchise or Other Agreement	Summary
		transfer; suffering negative growth for 6 months or more; commission of an incurable default.
(i) Franchisee's obligations on termination/non-renewal	Article XIX	Cease use of Proprietary Properties; discontinue use of Confidential Information; return Operations Manual, cancel assumed name, comply with post-termination covenants, assign lease for Service Vehicle, pay Hold Back Amount (if applicable), and pay all amounts due to us, including liquidated damages.
(j) Assignment of contract by franchisor	Section 16.1	No restriction on right to transfer.
(k) 'Transfer' by franchisee - defined	Section 16.2	Transfer encompasses any actual or purported assignment, sale, transfer, or other arrangement having the purpose or effect of shifting ownership or control interests of more than 25% of your Franchised Business or ownership interest in you.
(l) Franchisor approval of transfer by franchisee	Section 16.2	We may 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 may match any offer.
(o) Franchisor's option to purchase franchisee's business	Section 19.8	Upon expiration or termination, we may buy your Franchised Business. We may purchase your Franchised Business at any time after the 60th month of operation.
(p) Death or disability of franchisee	Section 16.2.2	Transfer to heirs, surviving partner or the like upon death or disability, with a new manager completing initial training within 90 days will not be considered a transfer.
(q) Non-competition covenants during the term of the franchise	Section 15.1	Includes prohibition on owning or operating business which sells similar services.

Provision	Article in Franchise or Other Agreement	Summary
(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 2 years and located within 20 miles of your Designated Territory or the Designated Territory of any other business operating under the Proprietary Marks. The non-competition covenant is not applicable to a conversion franchise.
(s) Modification of the agreement	Sections 22.1, and 22.12	Must be in writing by both parties.
(t) Integration/merger clause	Section 22.15	Only the terms of the Franchise Agreement and the Operations Manual are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Provided, however, nothing in the Franchise Agreement or any related agreement is intended to disclaim any representations we make in this Disclosure Document.
(u) Dispute resolution by mediation	Section 22.5	Except for claims for equitable or injunctive relief, all disputes must be mediated at a mutually agreeable location, subject to state law.
(v) Choice of forum	Section 22.6	Florida, subject to state law.
(w) Choice of law	Section 22.8	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 131 franchised and 4 affiliate-owned outlets in 2022 (representing 72% (135/188) of all outlets in existence at the end of 2022). Further, note that 44 of these 188 locations were not surveyed because they were open less than 12 months in 2022. Therefore, the information includes 94% (135/144) of all outlets that were open a full 12 months in 2022. The remaining 9 locations either didn't respond to the survey or aren't part of our bookkeeping program.

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 3 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 all 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.

2022 GROSS SALES, COST OF SERVICE, GROSS PROFIT, FIXED EXPENSES & EBITDA FOR AFFILIATE & FRANCHISED LOCATIONS

		Corporate Owned Stores		Franchised Stores			
Year		2022 Single- Territory Stores	2022 Multi- Territory Stores	2022 Single- Territory Stores	2022 Multi- Territory Stores	2022 Bottom 25% Franchisees	2022 Top 25% Franchisees
# in Group		0	4	63	68	33	33
Total Gross Sales	Average	-	\$4,236,312	\$1,008,953	\$2,288,870	\$565,484	\$3,477,859
	Median	-	\$4,366,847	\$856,714	\$1,825,862	\$573,308	\$2,829,936
	Highest	-	\$7,262,294	\$4,060,392	\$11,142,644	\$786,812	\$11,142,644
	Lowest	-	\$949,261	\$200,078	\$449,786	\$200,078	\$1,929,398
Average		-	2/50%	24/38%	22/32%	18/55%	9/27%

#/% of Franchised Businesses Who Achieved or Surpassed Total Gross Sales	Median	-	2/50%	32/51%	34/50%	17/52%	13/40%
COGS							
Royalty Costs (% of Revenue)	Average	-	7%	7%	7%	7%	7%
	Median	-	7%	7%	7%	7%	7%
Sales and Loyalty Center Costs (% of Revenue)	Average	-	3%	4%	3%	5%	3%
	Median	-	3%	4%	3%	5%	3%
Brand Development Costs (% of Revenue)	Average	-	2%	2%	2%	2%	2%
	Median	-	2%	2%	2%	2%	2%
Disposal Costs (% of Revenue)	Average	-	3%	3%	3%	4%	3%
	Median	-	3%	2%	3%	3%	2%
Truck Labor Costs (% of Revenue)	Average	-	27%	29%	29%	29%	29%
	Median	-	28%	29%	29%	28%	29%
Truck Fuel Costs (% of Revenue)	Average	-	3%	5%	4%	5%	4%
	Median	-	4%	4%	4%	5%	4%
Truck Maintenance Costs (% of Revenue)	Average	-	2%	2%	2%	2%	2%
	Median	-	2%	2%	2%	2%	2%
Credit Card Fees (% of Revenue)	Average	-	2%	2%	2%	2%	2%
	Median	-	2%	2%	2%	2%	2%
Moving Supply Cost (% of Revenue)	Average	-	1%	1%	2%	1%	2%
	Median	-	2%	1%	1%	1%	1%
Total Cost of Service	Average	-	\$2,044,939	\$525,855	\$1,136,120	\$313,488	\$1,687,172
	Median	-	\$2,140,153	\$435,832	\$943,073	\$335,847	\$1,456,564
	Highest	-	\$3,451,864	\$1,673,776	\$5,329,716	\$578,392	\$5,329,716
	Lowest	-	\$447,584	\$79,581	\$223,951	\$79,581	\$814,377
#/% of Franchised Businesses Who Achieved or Surpassed Total Cost of Service	Average	-	2/50%	27/43%	23/34%	20/61%	7/21%
	Median	-	2/50%	32/51%	34/50%	17/52%	13/40%
GP							
Total Gross Profit	Average	-	\$2,191,374	\$483,097	\$1,152,750	\$251,996	\$1,790,686
	Median	-	\$2,226,694	\$378,378	\$865,441	\$254,442	\$1,451,297
	Highest	-	\$3,810,430	\$2,386,616	\$5,812,928	\$426,330	\$5,812,928
	Lowest	-	\$501,677	\$120,497	\$115,288	\$115,288	\$734,617
#/% of Franchised Businesses Who Achieved or Surpassed Total Gross Profit	Average	-	2/50%	25/40%	21/31%	17/52%	8/24%
	Median	-	2/50%	32/51%	34/50%	17/52%	13/40%
*Gross Profit as % of Revenue	Average	-	52%	47%	49%	45%	51%
	Median	-	52%	48%	48%	46%	50%
	Highest	-	53%	64%	79%	60%	79%
	Lowest	-	49%	21%	25%	21%	38%
#/% of Franchised Businesses Who Achieved or Surpassed Gross Profit % of Revenue	Average	-	3/75%	34/54%	31/46%	17/52%	13/40%
	Median	-	2/50%	32/51%	34/50%	14/43%	14/43%
FIXED EXPENSES							
	Average	-	\$528,266	\$99,330	\$213,150	\$66,701	\$300,122

Marketing Expense (local advertising)	Median	-	\$555,959	\$92,803	\$176,099	\$65,000	\$248,654
Office Staff Costs	Average	-	\$330,353	\$103,671	\$224,913	\$53,119	\$327,160
	Median	-	\$320,734	\$80,038	\$174,398	\$49,316	\$312,646
Rent and Utilities Expense	Average	-	\$143,934	\$36,707	\$62,455	\$29,345	\$89,572
	Median	-	\$137,838	\$32,999	\$51,382	\$28,203	\$67,010
Other Expenses (insurance, etc.)	Average	-	\$169,025	\$63,982	\$127,453	\$41,731	\$175,573
	Median	-	\$168,594	\$59,308	\$105,283	\$40,637	\$125,882
Total General & Administrative Expenses (marketing expense, office staff costs, rent & utilities expense, and other expenses including insurance, etc.)	Average	-	\$1,171,578	\$290,526	\$624,663	\$190,897	\$892,427
	Median	-	\$1,183,125	\$257,420	\$492,735	\$190,718	\$817,151
	Highest	-	\$2,023,658	\$1,019,140	\$3,074,247	\$446,115	\$3,074,247
	Lowest	-	\$296,402	\$47,915	\$104,136	\$47,915	\$288,003
#/% of Franchised Businesses Who Achieved or Surpassed Total General & Admin Expenses	Average	-	2/50%	27/43%	20/29%	16/49%	7/21%
	Median	-	2/50%	32/51%	34/50%	17/52%	13/40%
EBITDA							
EBITDA (earnings before interest, taxes, depreciation and amortization) (does not include truck payments, owner compensation or other discretionary expenses)	Average	-	\$869,985	\$159,864	\$434,293	\$43,550	\$754,498
	Median	-	\$870,053	\$133,552	\$273,760	\$66,945	\$632,790
	Highest	-	\$1,555,461	\$1,207,651	\$2,675,774	\$265,933	\$2,675,774
	Lowest	-	\$184,374	(\$312,514)	(\$102,669)	(\$312,514)	\$9,794
#/% of Franchised Businesses Who Achieved or Surpassed EBITDA	Average	-	2/50%	26/41%	24/35%	16/49%	7/21%
	Median	-	2/50%	32/51%	34/50%	15/46%	13/40%
Net Profit as % of Revenue (before taxes, interest, depreciation and amortization, and owners' compensation)	Average	-	21%	13%	21%	8%	21%
	Median	-	20%	15%	32%	11%	20%

NOTES:

- i. Gross Profit is calculated as follows: 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 but excluding fixed costs, such as rent, marketing, insurance, office staff or other expenses related to the operation of the business.
- ii. The average multi-territory corporate store owns 5 territories
- iii. The average multi-territory franchise owns 3 territories
- iv. The locations in the Bottom 25% own an average of 1 territory
- v. The locations in the Top 25% own an average of 3 territories

2022 ANNUAL PERFORMANCE METRICS

		Corporate Owned Stores	All Franchised Locations	Junk Only Franchised Locations	Move Only Franchised Locations	Junk & Move Franchised Locations
# in Group		4	131	7	2	122
Gross Revenues	Average	\$4,236,312	\$1,673,338	\$889,830	\$1,229,159	\$1,725,575
	Median	\$4,366,847	\$1,289,008	\$776,658	\$1,229,159	\$1,299,038
	Highest	\$7,262,294	\$11,142,644	\$1,874,268	\$1,508,570	\$11,142,644
	Lowest	\$949,261	\$200,078	\$223,289	\$949,748	\$200,078
#/% of Franchised Businesses Who Achieved or Surpassed Gross Revenues	Average	2/50%	45/34%	3/43%	1/50%	42/34%
	Median	2/50%	66/50%	4/57%	1/50%	61/50%
Job Size	Average	\$754	\$649	\$414	\$1,162	\$654
	Median	\$746	\$644	\$413	\$1,162	\$646
	Highest	\$906	\$1,602	\$481	\$1,602	\$1,114
	Lowest	\$617	\$345	\$346	\$723	\$345
#/% of Franchised Businesses Who Achieved or Surpassed Job Size	Average	2/50%	62/47%	3/43%	1/50%	58/48%
	Median	2/50%	66/50%	4/57%	1/50%	61/50%
Leads	Average	14,713	6,539	4,471	4,817	6,685
	Median	12,977	5,462	4,552	4,817	5,502
	Highest	24,881	22,627	7,397	7,738	22,627
	Lowest	8,015	1,357	1,357	1,896	1,743
#/% of Franchised Businesses Who Achieved or Surpassed Leads	Average	2/50%	49/37%	4/57%	1/50%	46/38%
	Median	2/50%	66/50%	4/57%	1/50%	61/50%
Completed Jobs	Average	5,582	2,486	2,124	1,340	2,526
	Median	5,365	2,113	2,243	1,340	2,115
	Highest	10,062	10,004	3,895	2,087	10,004
	Lowest	1,538	529	529	593	552
#/% of Franchised Businesses Who Achieved or Surpassed Completed Jobs	Average	2/50%	48/37%	4/57%	1/50%	45/37%
	Median	2/50%	66/50%	4/57%	1/50%	61/50%
Cost per Lead	Average	\$32	\$24	\$26	\$35	\$24
	Median	\$35	\$24	\$29	\$35	\$23
	Highest	\$48	\$51	\$39	\$49	\$51
	Lowest	\$13	\$4	\$14	\$20	\$4
#/% of Franchised Businesses Who Achieved or Surpassed Cost per Lead	Average	3/75%	64/49%	4/57%	1/50%	59/48%
	Median	2/50%	66/50%	4/57%	1/50%	61/50%
Lead-to-Close %	Average	35%	38%	47%	29%	37%
	Median	40%	37%	45%	29%	37%
	Highest	42%	59%	53%	31%	59%
	Lowest	19%	20%	39%	27%	20%
#/% of Franchised Businesses Who Achieved or Surpassed Lead-to-Close %	Average	3/75%	60/46%	3/43%	1/50%	59/48%
	Median	2/50%	66/50%	4/57%	1/50%	61/50%

NOTES:

- i. The Junk Only franchise locations operate in an average of 2 territories each
- ii. The Move Only franchise locations operate in an average of 2 territories each
- iii. The Junk & Move franchise locations operate in an average of 2 territories each

**RAMP UP DATA FOR NEW LOCATIONS AND ANNUAL GROSS SALES BASED ON
NUMBER OF YEARS IN OPERATION AS OF DECEMBER 31, 2022**

		Monthly Gross Sales			Annual Gross Sales by Tenure				
		1st Month	6th Month	12th Month	1 Full Year in Business	2 Full Years in Business	3 Full Years in Business	4 Full Years in Business	>4 Full Years in Business
# in Group		74	57	30	25	17	17	9	63
Gross Sales	Average	\$24,909	\$49,394	\$66,157	\$793,378	\$1,315,550	\$1,310,943	\$1,767,195	\$2,203,455
	Median	\$18,684	\$45,483	\$57,216	\$663,377	\$1,236,766	\$1,301,894	\$1,825,429	\$1,633,047
Highest Gross Sales		\$110,487	\$200,397	\$172,800	\$2,605,872	\$2,752,523	\$2,151,075	\$2,829,936	\$11,142,644
Lowest Gross Sales		\$2,692	\$3,083	\$2,574	\$349,613	\$507,674	\$223,289	\$806,523	\$200,078
#/% of Franchised Businesses Who Achieved or Surpassed Annual Gross Sales	Average	31/42%	25/44%	11/37%	7/28%	6/35%	8/47%	5/56%	20/32%
	Median	37/50%	29/51%	15/50%	13/52%	9/53%	9/53%	5/56%	32/51%

NOTES:

- i. The 'Monthly Gross Sales' portion of the above table represents the monthly income by month-in-business of franchise locations in operation for less than 24 months as of December 31, 2022

TRUCKONOMICS

The following table represents the monthly income and costs related to the operation of a single junk removal service vehicle or a single moving service vehicle.

Monthly Sales per Truck				
	Junk	Move	Junk Notes	Move Notes
Jobs Per Day	3.5	1.5	Assuming truck performs 3.5 jobs per day (current average)	Assuming truck performs 1.5 jobs per day (current average)
Average Revenue Per Job	\$399	\$1,130	Not including recycling income	Not including up-sells (such as boxes sales)
Median Revenue Per Job	\$392	\$1,077		
Work Days Per Month	26	26	6 days per week (Mon-Sat)	6 days per week (Mon-Sat)
Monthly Gross Sales	\$36,000	\$44,000		
Monthly Cost per Truck-Payroll Related (6 days per week operating 10 hours per day)*				
Driver Lead	\$3,900	\$4,290	\$15 per hour at 3120 hours per year (6*10*52) (assumes bonus incl.)	\$16.5 per hour at 3120 hours per year (6*10*52) (assumes bonus incl.)
Wingman	\$3,380	\$3,510	\$13 per hour at 3120 hours per year (6*10*52) (assumes bonus incl.)	\$13.5 per hour at 3120 hours per year (6*10*52) (assumes bonus incl.)
FICA/FUTA/SUTA	\$775	\$831	10.65% (7.65% + 3%) of personnel costs (driver + Wingman)	10.65% (7.65% + 3%) of personnel costs (driver + Wingman)
Workers Comp	\$1,092	\$1,248	15% of personnel costs (driver + Wingman)	16% of personnel costs (driver + Wingman)
Monthly Costs- Fuel per Truck and Other Variable Costs				
Fuel & Other Variable Truck Costs	\$1,440	\$1,760	4% of monthly Gross Sales (Tracking, Fuel, Parketing, Tolls)	4% of monthly Gross Sales
Disposal/Transfer Fees	\$2,520	-	7% of monthly Gross Junk Sales	-
Supplies/Damages	-	\$880	-	2% of monthly Gross Sales
Vehicle Insurance	\$1,500	\$1,500	Per truck - decreases as additional trucks added	Per truck - decreases as additional trucks added
Truck Payment	\$1,400	\$1,800	Assuming truck is financed/leased	Assuming truck is financed/leased
Local Advertising	\$3,600	\$4,400	10% of Sales (current average)	10% of Sales (current average)
Truck Maintenance	\$720	\$880	Oil changes, tires, tarp replacement, etc.	Oil changes, tires, tarp replacement, etc.
Royalty	\$2,520	\$3,080	7% of in-terrotory monthly Gross Sales/8% of out-of-terrtory monthly gross sales	7% of in-terrotory monthly Gross Sales/8% of out-of-terrtory monthly gross sales
First Contact Sales & Loyalty Center Fund	\$2,040	\$1,507	Assuming \$815 (Junk Only) flat fee plus call center bookings needed for 4 jobs/day (\$19 per booking)	Assuming \$964 flat fee plus call center bookings needed for 4 jobs/day (\$19 per booking)
National Brand Development Fund	\$720	\$880	2% of monthly Gross Sales	2% of monthly Gross Sales
Total Monthly Costs**	\$25,607	\$26,566		
Plus Recycling Income	\$720	-	Approximately 2% of monthly Gross Sales	-
Plus Box and Other Sales Income	-	\$1,760	-	Approximately 4% of monthly Gross Sales
Net Operating Profit Per Truck**	\$11,113	\$19,194		

NOTES:

- i. **Material Assumptions:** The data presented in the above data set is based on the system-wide operation of junk removal and moving service vehicles during the 2022 fiscal year. These service vehicles may have been operated by franchisees or our affiliates and may be operated as part of a College Hunks Moving® and College Hunks Hauling Junk® business or a business offering only Junk or only Moving services. The average revenue per job is based on the system-wide average for the 2022 fiscal year. The “jobs per day” metric assumes that the service vehicle operates a single standard Zone with only one such service vehicle. The Workers Compensation Rate is established by the state and will vary depending on the state in which you operate your Franchised Business. Otherwise, the data presented is based on historical information related to the operation of franchised College Hunks Moving® and College Hunks Hauling Junk® businesses.
- ii. The junk removal or moving service vehicles included in the above data set may be the only service vehicle providing these services in the Designated Territory or one of multiple such service vehicles.
- iii. Payroll costs will vary based on the compensation established, minimum wage requirements in the state in which you operate the Franchised Business, the number of jobs performed and whether your employees work full time or part-time.
- iv. The above income and expense figures relate to income from the operation of a junk removal service vehicle or moving service vehicle and costs related to the operation of the service vehicle together with Continuing Royalty Fees, Brand Development Fees, and First Contact Sales & Loyalty Center Fees attributable to the operation of the service vehicle. 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.
- v. Written substantiation for the financial performance representations described above will be made available to you on 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.
- vi. Some College Hunks Hauling Junk businesses have earned these amounts. Your individual results may differ. There is no assurance you will earn as much.
- vii. Results may vary among College Hunks Hauling Junk businesses depending on 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.
- viii. 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.
- ix. 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, 2020, 2021, and 2022

<u>Outlet Type</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets at the End of the Year</u>	<u>Net Change</u>
Franchised	2020	113	128	15
	2021	128	151	23
	2022	151	184	33
Company-Owned	2020	4	3	-1
	2021	3	3	0
	2022	3	4	1
Total Outlets	2020	117	131	14
	2021	131	154	23
	2022	154	188	34

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years Ending December 31, 2020, 2021, and 2022

<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>
COLORADO	2020	0
	2021	2
	2022	0
FLORIDA	2020	0
	2021	0
	2022	2
GEORGIA	2020	1
	2021	0
	2022	0
IDAHO	2020	0
	2021	1
	2022	0
ILLINOIS	2020	2
	2021	0
	2022	0
INDIANA	2020	0

<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>
	2021	1
	2022	0
IOWA	2020	1
	2021	1
	2022	1
KANSAS	2020	0
	2021	1
	2022	0
MARYLAND	2020	0
	2021	1
	2022	1
MISSOURI	2020	0
	2021	1
	2022	0
TENNESSEE	2020	0
	2021	1
	2022	0
TEXAS	2020	0
	2021	1
	2022	2
VIRGINIA	2020	1
	2021	1
	2022	1
WISCONSIN	2020	0
	2021	1
	2022	0
Totals	2020	5
	2021	12
	2022	7

Table No. 3
Status of Franchised Outlets
For Years Ending December 31, 2020, 2021, and 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Company	Ceased Operations – Other Reasons	Outlets at End of the Year
ALABAMA	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	1	1
	2022	1	0	0	0	0	0	1
ARIZONA	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	1	1	0	0	0	2
ARKANSAS	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
CALIFORNIA	2020	4	0	0	1	0	1	2
	2021	2	3	0	0	0	0	5
	2022	5	5	0	0	0	0	10
COLORADO	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	3	0	0	0	0	6
CONNECTICUT	2020	1	1	0	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
DELAWARE	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
FLORIDA	2020	10	2	0	0	0	0	12
	2021	12	1	0	0	0	0	13
	2022	13	4	0	0	0	0	17
GEORGIA	2020	9	1	0	0	0	1	9
	2021	9	1	0	0	0	2	8
	2022	8	2	0	0	0	0	10
IDAHO	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
ILLINOIS	2020	6	0	0	0	0	0	6

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Company	Ceased Operations – Other Reasons	Outlets at End of the Year
	2021	6	1	0	0	0	0	7
	2022	7	3	0	0	0	0	10
INDIANA	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
IOWA	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
KANSAS	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	1	2
	2022	2	1	0	0	0	0	3
KENTUCKY	2020	2	0	0	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	1	2
LOUISIANA	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
MARYLAND	2020	3	1	0	0	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	1	0	0	0	0	6
MASSACHUSETTS	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
MICHIGAN	2020	5	1	0	0	0	0	6
	2021	6	1	0	0	0	0	7
	2022	7	2	0	0	0	0	9
MINNESOTA	2020	2	2	0	0	0	1	3
	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
MISSOURI	2020	1	0	0	0	0	0	1
	2021	1	2	0	0	0	0	3
	2022	3	1	0	0	0	0	4
NEBRASKA	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Company	Ceased Operations – Other Reasons	Outlets at End of the Year
	2022	1	0	0	0	0	0	1
NEVADA	2020	0	0	0	0	0	0	0
	2021	0	3	0	0	0	0	3
	2022	3	1	0	0	0	2	2
NEW HAMPSHIRE	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
NEW JERSEY	2020	3	1	0	0	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
NEW YORK	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	1	0	2
NORTH CAROLINA	2020	4	3	0	0	0	1	6
	2021	6	1	0	0	0	0	7
	2022	7	1	0	0	0	0	8
OHIO	2020	3	2	0	0	0	1	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
OKLAHOMA	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	1	2
OREGON	2020	3	01	0	0	0	0	3
	2021	3	1	0	0	0	0	4
	2022	3	0	0	0	0	0	3
PENNSYLVANIA	2020	5	1	0	1	0	0	5
	2021	5	1	0	0	0	0	6
	2022	6	1	0	0	0	1	6
RHODE ISLAND	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
SOUTH CAROLINA	2020	6	0	0	0	0	0	6
	2021	6	1	0	0	0	1	6
	2022	6	0	0	0	0	1	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Company	Ceased Operations – Other Reasons	Outlets at End of the Year
TENNESSEE	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
TEXAS	2020	14	5	0	0	0	5	14
	2021	14	5	0	0	0	3	16
	2022	16	12	1	0	0	1	26
UTAH	2020	1	0	0	0	0	0	1
	2021	0	0	0	0	0	1	0
	2022	0	2	0	0	0	0	2
VIRGINIA	2020	5	1	0	0	0	0	6
	2021	6	0	0	0	0	1	5
	2022	6	0	0	0	0	1	5
WASHINGTON	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	1	0	0	0	0	6
WISCONSIN	2020	2	1	0	0	0	0	3
	2021	3	1	0	0	0	0	4
	2022	4	1	0	0	0	0	5
	2020	113	28	0	2	0	11	128
Totals	2021	128	32	0	0	0	9	151
	2022	151	45	2	0	1	9	184

Table No. 4
Status of Company-Owned and Affiliate-Owned Outlets
For Years Ending December 31, 2020, 2021, and 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
FLORIDA	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
MARYLAND	2020	2	0	0	1	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

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
NEW JERSEY	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
NEW YORK	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
Totals	2020	4	0	0	1	0	3
	2021	3	0	0	0	0	3
	2022	3	0	1	0	0	4

Table No. 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
ALABAMA	0	1	0
ARIZONA	0	1	0
CALIFORNIA	2	4	0
COLORADO	0	1	0
CONNECTICUT	0	1	0
FLORIDA	2	2	0
GEORGIA	0	2	0
ILLINOIS	0	2	0
KENTUCKY	0	1	0
LOUISIANA	1	1	0
MARYLAND	0	1	0
MASSACHUSETTS	1	1	0
MICHIGAN	0	1	0
MISSISSIPPI	0	1	0
NEW HAMPSHIRE	1	1	0
NEW JERSEY	0	1	0
NEW YORK	0	1	0
NORTH CAROLINA	0	1	0
OHIO	2	2	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
OREGON	0	1	0
PENNSYLVANIA	0	2	0
SOUTH CAROLINA	0	1	0
TENNESSEE	1	1	0
TEXAS	5	3	0
UTAH	1	0	0
VIRGINIA	1	1	0
WASHINGTON	0	1	0
WISCONSIN	2	0	0
Total	19	36	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 11 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 openly 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 franchisees 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, and one franchisee signed a settlement agreement that included a confidentiality clause.

We currently have one advisory council which includes 8 franchisee representatives and 6 franchisor representatives. The advisory council does not have a name, address, email or web address. There are no other trademark-specific franchisee organizations created, sponsored, or endorsed by us, and no independent franchisee organizations have asked to be included in this Disclosure Document.

We reserve the right to develop additional 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 to serve 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 may form, change, merge or dissolve any council at any time.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit G are consolidated financial statements of us and our subsidiary as follows:

1. Audited financial statements for the fiscal years ended December 31, 2022, 2021, and 2020.
2. Unaudited financial statements for the period ended March 31, 2023.

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
<i>Location of Franchise and Zones Encompassing Designated Territory</i>	<i>Exhibit A to FA</i>
<i>Conditional Assignment of Telephone Numbers and Listings and Internet Addresses</i>	<i>Exhibit B to FA</i>
<i>Principal Owner's Guaranty</i>	<i>Exhibit C to FA</i>
<i>Authorization Agreement for Prearranged Payments (Direct Debits)</i>	<i>Exhibit D to FA</i>
<i>Transfer of Franchise to Corporation or Limited Liability Company</i>	<i>Exhibit E to FA</i>
<i>Principal Owner's Statement</i>	<i>Exhibit F to FA</i>
<i>ACUTE FS Participation Agreement</i>	<i>Exhibit G to FA</i>
<i>NOR LLC Payroll Service Agreement</i>	<i>Exhibit H to FA</i>
<i>Captive Insurance Program Addendum</i>	<i>Exhibit I to FA</i>
<i>State Addenda to the Franchise Agreement</i>	<i>Exhibit J to FA</i>
<i>Zone Amendment</i>	<i>Exhibit K to FA</i>
National Accounts Program Participation Agreement	Exhibit H
General Release	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 others 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 ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
CALIFORNIA	<i>Los Angeles</i> 320 West 4th Street Suite 750 Los Angeles, CA 90013-2344 (213) 897-2085 <i>Los Angeles</i> 300 S. Spring Street Suite 15513 Los Angeles, CA 90013-1259 (213) 897-2085 <i>Sacramento</i> 2101 Arena Boulevard Sacramento, CA 95834 (916) 445-7205 <i>San Diego</i> 1455 Frazee Road Suite 315 San Diego, CA 92108 (619) 610-2093 <i>San Francisco</i> One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565	Commissioner of Department of Financial Protection & Innovation (866) 275-2677
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	

	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
INDIANA	Indiana Securities Division Secretary of State Franchise Section Room E-111 302 W. Washington Street 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, 1 st Floor Lansing, Michigan 48909 (517) 373-7117	
MINNESOTA	Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 296-4026	Minnesota Department of Commerce Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600 (800) 657-3602
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Fl. New York, New York 10005 (212) 416-8222 (Phone)	New York Secretary of State 99 Washington Avenue Albany, NY 12231 (518)-473-2492
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 (701) 328-4712
OREGON	Oregon Division of Financial Regulation 350 Winter Street NE, Suite 410 Salem, Oregon 97301 (503) 378-4140	
RHODE ISLAND	Department of Business Regulation Bldg 69, First Floor John O Pastore Center 1511 Pontiac Avenue Cranston, RI 02920	

	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, Virginia 23219 (804) 371-9051	Clerk, State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 1 st Floor Richmond, Virginia 23219
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8700	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501 1 (877) 746-4334
WISCONSIN	Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-0448	Administrator, Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT B TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

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

CALIFORNIA ADDENDUM

1. 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.
2. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.
3. OUR WEBSITE, www.collegehunkshaulingjunk.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.
4. The following language is added at the end of Item 3:

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.

5. The following language is added to the 'Remarks' column of the line item titled 'Interest on Overdue Amounts' in Item 6 of the Franchise Disclosure Document:

'The highest interest rate allowed under California law is 10% annually.'

6. The following provisions are added to the end of Item 17 of 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 the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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.

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

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

The Franchise Agreement allows the franchisor to purchase the assets or ownership interests of the franchised business any time after the 60th month of operation. The franchisor will not enforce this provision in the State of California.

The Franchise Agreement requires the franchisee to grant the franchisor a security interest in the franchised business.

The Franchise Agreement contains a provision requiring you to agree to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, this provision is not enforceable in California for any claims you may have under the California Franchise Investment Law.

The Franchise Agreement contains a limitation on the time you have to bring certain claims against the franchisor. Under California Corporations Code section 31512, this provision is not enforceable in California for any claims you may have under the California Franchise Investment 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).

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

**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.

NO STATEMENT, QUESTIONNAIRE, OR ACKNOWLEDGEMENT SIGNED OR AGREED TO BY A FRANCHISEE IN CONNECTION WITH THE COMMENCEMENT OF THE FRANCHISE RELATIONSHIP SHALL HAVE THE EFFECT OF (i) WAIVING ANY CLAIMS UNDER APPLICABLE STATE FRANCHISE LAW, INCLUDING FRAUD IN THE INDUCEMENT, OR (ii) DISCLAIMING RELIANCE ON ANY STATEMENT MADE BY ANY FRANCHISOR, FRANCHISE SELLER, OR OTHER PERSON ACTING ON BEHALF OF THE FRANCHISOR. THIS PROVISION SUPERSEDES ANY OTHER TERM OF ANY DOCUMENT EXECUTED IN CONNECTION WITH THE FRANCHISE.

**ADDENDUM TO 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.

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Franchisees' rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO 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:

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 H 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 are 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.

5. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement are amended to include the following: No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

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 Franchisee 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, Subds. 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.’

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:

‘No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.’

**ADDENDUM TO 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.

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.

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.

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.

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.

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.

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. The following is added to Item 17:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO 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.

1. The Summary column of Item 17 paragraphs (c) and (m) 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)).’
2. The ‘Summary’ section of Item 17(i) is amended by adding the following:

‘The Commissioner has determined termination or liquidated damages to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, we and you agree to enforce these provisions to the extent the law allows.’
3. 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.’
4. 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.’
5. 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.’
6. Item 17 of this disclosure document is amended to include the following language:

‘No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.’

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

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

The following language is added to the end of the ‘Summary’ section of Item 17(v), entitled ‘Choice of forum’:

‘Subject to mediation requirements, litigation generally must be where we have our principal business address at the time the action is commenced (it currently is Tampa, Florida), except that, to the extent required by the Rhode Island Franchise Investment act, you may bring an action in Rhode Island.’

The following language is added to the end of the ‘Summary’ section of Item 17(w), entitled ‘Choice of law’:

‘Except for federal law, and except as otherwise required by the Rhode Island Franchise Investment Act, Florida law applies.’ The following language is added to Item 17:

‘No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.’

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

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

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement do not constitute 'reasonable cause,' as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Additional Disclosure: The following language is added to Item 17:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO THE CHHJ FRANCHISING L.L.C.
DISCLOSURE DOCUMENT
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:

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Item 3 is amended to add the following:

In re: Franchise No Poaching Provisions, Case No. 19-2-28996-1, CHHJ Franchising, L.L.C. Assurance of Discontinuance (the 'AOD'); State of Washington; King Superior Court. On November

19, 2019, we entered into an Assurance of Discontinuance with the Attorney General for the State of Washington relating to certain provisions in our franchise agreement restricting franchisees from hiring employees from competing franchisees and from us (the ‘No-Poaching Provision’). The No-Poaching Provision in our franchise agreement was a legacy provision that was never enforced. At the time the AOD was entered, there were only 3 franchisees operating in Washington. As part of the AOD, we agreed: (i) to not include No-Poaching Provisions in any of our franchise agreements, (ii) to not enforce No-Poaching Provision in any existing franchise agreements, (iii) to not intervene or defend the legality of a No-Poaching Provision in litigation; (iv) to notify all of our franchisees of the entry of the AOD and provide them with a copy of the AOD upon request, (v) to notify the Washington Attorney General’s Office if we learn of any effort by a franchisee in Washington to enforce a No-Poaching Provision, (vi) to use all commercially reasonable efforts to amend existing franchise agreements with franchisees in Washington to remove any No-Poaching Provisions, and (vii) to, on a nationwide basis, amend franchise agreements as they come up for renewal to remove the No-Poaching Provisions.

Item 17 is amended to add the following:

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

EXHIBIT C TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT



CHHJ FRANCHISING L.L.C.

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

	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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EXHIBITS

Exhibit A	Location of Franchise
Exhibit B	Conditional Assignment of Telephone Numbers and Listings and Internet Addresses
Exhibit C	Principal Owner's Guaranty
Exhibit D	Authorization Agreement for Prearranged Payments (Direct Debits)
Exhibit E	Transfer of Franchise to a Corporation or Limited Liability Company
Exhibit F	Principal Owner's Statement
Exhibit G	ACUTE FS Participation Agreement
Exhibit H	NRC LLC Payroll Service Agreement
Exhibit I	Addendum to Franchise Agreement – Participation in Captive Insurance Program
Exhibit J	State Addenda to Franchise Agreement
Exhibit K	Zone Amendment

CHHJ FRANCHISING L.L.C.

FRANCHISE AGREEMENT

THIS FRANCHISE 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 4411 West Tampa Bay Blvd, Tampa, FL 33614 (‘**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® (‘**Franchisee**’). Franchisor and Franchisee are sometimes herein referred to individually as a ‘**party**’ and collectively as the ‘**parties**.’

WITNESSETH:

WHEREAS, Franchisor has developed a format and system (the ‘**System**’) of uniform standards, methods, merchandising, and advertising for the operation of franchises that will provide one or more of the following: (i) 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; (ii) the provision of moving services; and (iii) the sale of products and services related to the junk removal services and/or moving services using 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, 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 Franchisor for that purpose, as well as to receive the training and other assistance provided by Franchisor in connection therewith;

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

WHEREAS, Franchisee desires to obtain a franchise to use the System and the Proprietary Marks at the location described in Exhibit A, 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 its own choosing and represents and warrants that he/she has the business experience and financial ability to operate a Franchised Business;

WHEREAS, 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; and

WHEREAS, 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 the body of this Agreement, the following definitions shall govern this Agreement:

1.1.1 ‘Agreement’ means this document, including all exhibits, 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 first day on which the Franchised Business receives revenues, offers services, or conducts any of the activities contemplated by this Agreement.

1.1.4 ‘Confidential Information’ means (i) the System and System Standards; (ii) the Software; (iii) information in our Manual; (iv) methods, formats, specifications, standards, procedures, criteria, techniques, knowledge and experience used in developing and operating businesses similar to the Franchised Business; (v) market research; (vi) promotional, marketing, advertising, public relations, customer relationship management, and other brand-related materials and programs for businesses similar to a Franchised Business; (vii) knowledge of specifications for, suppliers of, and methods of ordering supplies, services, products, and materials that businesses similar to the Franchised Business use and sell; (ix) knowledge of the operating results and financial performance of franchised businesses other than the Franchised Business; (x) Franchisor Data, customer communication and retention programs, and the data used or generated in connection with those programs; (xi) strategic plans, including expansion strategies and targeted demographics; (xii) information generated by, used, or developed in operating the Franchised Business, including customer data, and any other information contained from time to time in the Software; (xiii) 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; (xiv) information related to our accumulated skills and experience that is an economic asset and which, if disclosed without our authorization, could place us at a competitive disadvantage; and (xv) any other information we reasonably designate as confidential or proprietary.

1.1.5 ‘Copyrights’ means all work rendered in a tangible medium of expression as defined under U.S. Copyright Law, 17 U.S.C. Sec. 101, *et seq.*, that relates to the Franchised Business, whether published or unpublished, whether confidential or not, whether created by Franchisor or one 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.

1.1.6 ‘Designated Territory’ means the protected territory granted to Franchisee encompassing contiguous Zones as shown on Exhibit A, as such exhibit may be amended from time to time.

1.1.7 '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, email, and other methods, and will refer to Franchisor or its designated supplier of those SLC Services as applicable.

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

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

1.1.10 '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 one 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 Franchisor.

1.1.11 'Proprietary Properties' means the Proprietary Marks, Confidential Information, and Copyrights.

1.1.12 'Services' means the provision of one or more of the following: (i) 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); (ii) moving services (including providing packing services for customers as well as sales of boxes and packing materials); and/or (iii) 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(s) with custom designed dump body Franchisee is required to obtain by lease or purchase and maintain for use in the operation of the College Hunks Hauling Junk® business, as well as any truck(s) to be used for the provision of moving services in the operation of the College Hunks Moving® business.

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 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.

ARTICLE II. GRANT OF FRANCHISE AND LICENSE

2.1 Grant

Subject to the provisions of this Agreement and all documents or other ancillary agreements:

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, as such Exhibit A may be modified from time to time. Franchisor may condition any purchase of additional Zones upon Franchisee's satisfaction of Franchisor's then-current criteria and reserves the right to refuse to sell additional Zones to Franchisee for any reason it deems appropriate, including, without limitation, Franchisee's financial performance in its existing Zones, payment history, and compliance with this Agreement and System 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, including without limitation, any of Franchisor's affiliates, reserves the right:

3.2.1 to schedule Services in the Designated Territory to be provided by other franchisees or by Franchisor until Franchisee commences business in accordance with Section 9.2, regardless of whether such Services are performed prior to or after the Commencement of Business;

3.2.2 to exclusively own and control the Proprietary Properties;

3.2.3 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;

3.2.4 to engage fully and freely and without limitation in each and every aspect of the business of selling related services, products and equipment;

3.2.5 to offer to the public-at-large, separately, jointly or with others, all related services and/or products of every type and kind;

3.2.6 to employ and exploit the Proprietary Properties in connection with such offerings;

3.2.7 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;

3.2.8 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;

3.2.9 to offer and sell, and allow other franchise owners to offer and sell, those Services that Franchisee does not to offer, including without limitation long-distance moving Services, to customers located inside your Designated Territory;

3.2.10 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;

3.2.11 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

3.2.12 to engage in any other business activities not expressly prohibited by this Agreement.

3.3 National or Regional Account

Franchisor has developed 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 two or more locations and in more than one 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:

3.3.1 **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.

3.3.2 **Service Standards:** Franchisee must sign and deliver to Franchisor its standard form of National Accounts Program '**Participation Agreement.**' Franchisee will perform services for National or Regional Accounts located in its Designated Territory in accordance with Franchisor's standards and the terms and conditions specified by Franchisor for each National or Regional Account. The terms and conditions may vary across National or Regional Accounts 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 National or Regional Accounts.

3.3.3 **Alternative Services:** Franchisee recognizes that some National or Regional Accounts may decide that they do not want to do business with Franchisee. If that happens, Franchisor will fully cooperate with Franchisee to resolve the National or Regional Account's concerns. However, if after Franchisor exercises what it believes to be reasonable efforts to resolve the concerns, 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 to Franchisee or liability of Franchisor. 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 Franchisee has declined to provide services. Neither Franchisor nor any of its affiliates or franchisees will be liable for or obligated to pay Franchisee any compensation for providing such services, 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 Franchisor's or its affiliate's performance of services in Franchisee's Designated Territory.

3.3.4 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, but Franchisee is also responsible for assisting in the collection efforts. Franchisor does not warrant or guarantee collection of any amounts due.

3.3.5 Pricing: If Franchisee elects to provide services for a National or Regional Account, then Franchisee may not charge greater fees for services and products than the pricing established 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 or Regional Accounts.

3.3.6 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 or Regional Accounts, servicing National or Regional Accounts, and/or administering the National Accounts Program. The amount of the National Account Commission will be determined by Franchisor and described in the applicable National or Regional Account Participation 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 and Conditions

Provided that Franchisee has satisfied each of the following conditions (all of which shall be referred to as the **'Renewal Conditions'**) as determined by Franchisor in its sole discretion, Franchisee shall have the option, but not the obligation, to enter into a renewal Franchise Agreement for one additional term of 10 years (the **'Renewal Term,'** together with the Initial Term being collectively referred to in this Agreement as the **'Term'**):

4.2.1 Franchisee gives Franchisor written notice of its intent to renew (the **'Renewal Notice'**) not less than 180 days, but not more than 240 days, prior to the expiration of the Initial Term;

4.2.2 Prior to the giving of the Renewal Notice and for the remainder of the Initial Term, Franchisee has fully performed all of Franchisee's obligations under this Agreement;

4.2.3 Prior to the giving of the Renewal Notice and for the remainder of the Initial Term, Franchisee is not in default of any provision of this Agreement or any other agreement with Franchisor, its affiliates, subsidiaries, and designees;

4.2.4 Franchisee has not received more than two (2) Notices of Default from Franchisor during the Initial Term;

4.2.5 Prior to the giving of the Renewal Notice and for the remainder of the Initial Term, Franchisee is not in default of any provision of any other agreement relating to the operation of the Franchised Business with any third-party, including without limitation, Franchisee's landlord, lenders, creditors, vendors, or other suppliers, if any;

4.2.6 Franchisee meets Franchisor's then-current standards for accepting new franchisees, including without limitation, credit worthiness, access to capital, and criminal history;

4.2.7 Franchisee has 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;

4.2.8 Franchisee has secured the right to continue operating the Office, as defined in Section 9.1.2 herein, for the Franchised Business, either by renewed lease, sublease or other document, or by providing evidence of a written commitment from Franchisee's landlord to renew the lease or sublease for a period at least equal to the Renewal Term;

4.2.9 Franchisee has attended all Annual Conventions (as defined in Section 5.6) during the Initial Term, unless attendance was excused by Franchisor;

4.2.10 Franchisee executes Franchisor's then current Franchise Agreement which shall govern the operation of the Franchised Business during the Renewal Term, and which may substantially

differ from the terms of this Agreement, including without limitation, an increase in the percentage royalty fee and/or minimum royalty fee for any such Renewal Term;

4.2.11 Franchisee executes a general release of any and all claims against Franchisor and its officers, directors, shareholders, agents, contractors, and employees, in their corporate and individual capacities, arising out of or related to the Agreement (the ‘General Release’);

4.2.12 Franchisee pays Franchisor a renewal fee of \$5,000; and

4.2.13 Franchisee, at the commencement of the Renewal Term, satisfies:

- (a) Franchisor’s then-current System Standards;
- (b) the requirements of the then-current Franchise Agreement and all other ancillary agreements, including without limitation, a new Service Vehicle roll-out schedule, which may require Franchisee to acquire additional Service Vehicle(s);
- (c) Franchisor’s then-current training requirements, including Franchisee’s demonstrable ability to perform all services which are part of the System at the time of renewal; and
- (d) Franchisor’s requests for disclosure of or access to information to evaluate Franchisee’s ability to perform its obligations during the Renewal Term;

4.3 Renewal Procedure

4.3.1 Effect of Renewal Notice. Within 30 days after receipt of Franchisee’s Renewal Notice, Franchisor will determine whether, at the time of receiving the Renewal Notice, Franchisee has complied with all the Renewal Conditions, and after making its determination deliver to Franchisee, one or more of the following:

- (a) If Franchisee has met the Renewal Conditions, then Franchisor will provide: (i) its written consent to Franchisee’s Renewal Notice (the ‘**Renewal Consent**’), which shall be contingent and conditioned upon Franchisee’s continued and ongoing satisfaction of the Renewal Conditions, and (ii) a copy of its then-current Disclosure Document, including its then-current Franchise Agreement (the ‘**Renewal Franchise Agreement**’) (collectively the ‘**Renewal FDD**’), which Franchisee shall acknowledge receipt of in writing;
- (b) A request for additional information to assist Franchisor in determining whether Franchisee has met the Renewal Conditions; or
- (c) Franchisor’s notice of non-renewal based upon Franchisee’s failure to satisfy the Renewal Conditions.

4.3.2 Franchisee Obligations upon Receipt of Renewal Consent. If Franchisor provides Franchisee with its Renewal Consent, then Franchisee shall:

- (a) No sooner than 14 days but no more than 20 days after receipt of the Renewal FDD, notify Franchisor in writing as to whether Franchisee elects to execute the Renewal Franchise Agreement (‘**Election Notice**’); and

(b) Prior to the expiration of the Initial Term, but in no event more than 7 days before such expiration date, return to Franchisor 3 executed copies of both the Renewal Franchise Agreement and the General Release.

4.3.3 Failure to Execute Renewal Franchise Agreement. If Franchisee fails to sign the Renewal Franchise Agreement by the date this Agreement expires or sooner, Franchisor may, in its sole discretion, either:

(a) revoke Franchisor's Renewal Consent, thereby eliminating and nullifying Franchisee's option to renew; or

(b) charge Franchisee \$50 per day for every day the Renewal Franchise Agreement is not signed after this Agreement has expired.

4.4 Non-Renewal

If Franchisor determines, in its sole discretion, that Franchisee has failed to satisfy any of the conditions in Section 4.2 or to strictly comply with its obligations under Section 4.3, then: (a) Franchisee's failure shall be deemed an election by Franchisee not to renew; and (b) if Franchisor has issued a Renewal Consent, such Renewal Consent will be deemed automatically be rescinded without further notice or action by Franchisor.

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.

ARTICLE V. DUTIES OF FRANCHISOR

5.1 Intranet

5.1.1 Franchisor must establish one or more websites to advertise, market and promote the Franchised Businesses. When Franchisor establishes such a website, Franchisor will designate a web page within the website for the Franchised Business. Franchisor will implement and may periodically modify standards for any such website and individual web pages. Franchisee will not establish a website for its 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 information comprising Copyrights or Confidential Information, including instructions, data, materials, forms or other information developed by Franchisor in connection with the operation of the System. Franchisor may incorporate such matters in its Manual and Franchisee must conduct the operations of the Franchised Business in accordance therewith.

5.3 Initial Training

5.3.1 Timing. With respect to new franchisees (and not renewal franchisees), within 90 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 headquarters in Tampa, Florida, or at such location(s) as Franchisor shall designate. Such Training Program will include operational, management and marketing training pertaining to the System.

5.3.2 Attendees. 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**’). If 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.

5.3.3 Cancellations. All cancellations after registration but before the Training Program must be done 4 weeks in advance of the date the Training Program is set to begin. If Franchisee fails to timely cancel its registration, we may charge you a no-show fee.

5.3.4 Failure to Qualify. Franchisee shall be in default of its obligations under this Agreement if: (i) as explicitly set forth in Section 17.3.5, Franchisor determines, in its sole discretion, that Franchisee (or its Managing Owner) fails to satisfactorily complete the Training Program and such failure is not cured within thirty (30) days of the close of the Training Program; or (ii) as explicitly set forth in Section 17.1.18, 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 in accordance with System Standards (‘**Qualification Defaults**’).

5.3.5 Qualification Defaults. Upon the occurrence of either Qualification Defaults, Franchisor may exercise any of the remedies set forth in Article XVII, including without limitation, termination of the Franchise Agreement. If Franchisor elects to terminate this Agreement, then, provided Franchisee and its owners sign a mutual termination Agreement, including a General Release in Franchisor’s favor, then Franchisor will refund the Initial Franchise Fee (without interest) paid to Franchisor under Section 8.1.1 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 and Franchisor’s costs to provide the Initial Training Program.

5.3.6 Optional On-Site Training. In addition to the Training Program, Franchisor may elect to provide up to 3 days of additional training at Franchisee’s Office (as defined in Section 9.1.2) within the first 3 months of operations of Franchisee’s Franchised Business, and from time to time as Franchisor deems necessary. Franchisor will pay no compensation for any services performed by Franchisee, its Managing Owner or any of its personnel 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. Franchisor reserves the right to determine the subject matter and content of its initial Training Program and any periodic enrichment or refresher training programs. 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.

5.3.7 Training in the Event of Transfer. 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).

5.3.8 Training of Franchisee Personnel. 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, 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 Training Program itself, shall be the sole responsibility of 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. 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 Program. 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

5.4.1 Additional Training During Term. 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 System Standards. Franchisee shall comply with all such requests and visitations, and provide all information requested.

5.4.2 Costs of 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.

5.4.3 Third-Party Providers. Franchisor reserves the right to conduct or designate a third-party provider to conduct driver safety training and general safety training in its sole and exclusive discretion. Examples of training programs include, but are not limited to, pre-trip and post-trip inspections of Service Vehicles, enhanced motor vehicle reporting standards, periodic vehicle inspection requirements and driver scoring. Notwithstanding Franchisor providing such training, either directly or through a designee, Franchisee is and will remain solely responsible for complying with applicable law in providing the Services. Franchisee's and its personnel's participation in any such training will be at Franchisee's sole cost and expense.

5.5 Enrichment Training

Franchisor reserves the right to require Franchisee to participate in a form of enrichment training if the Franchised Business, in Franchisor's sole opinion and discretion, 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**'). 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.

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, Franchisee or one member of Franchisee's staff is required to attend Franchisor's annual convention at a location determined by Franchisor ('**Annual Convention**'). Attendance at this convention is required, unless excused by Franchisor in its sole discretion.

5.7 Approved Suppliers and Vendors

Franchisor shall, at all times during the Term, provide information pertaining to sources of supply of any products, materials, supplies and services which must be used in the System. Franchisee may only use approved suppliers or approved vendors for products, materials, supplies and services in the course of operating its Franchised Business.

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. Any and all warranties for such Software shall be provided by the third-party vendor and not by Franchisor.

5.8.2 In addition to the other training specified in this Agreement, Franchisor or its designee will provide during the Term, 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 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.

5.9 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.

5.10 Brand Development Fund Administration

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

5.11 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, pandemics, 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.

5.12 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.

5.13 First Contact Sales & Loyalty Center

5.13.1 Franchisor or its designee will own, operate and maintain a national First Contact Sales & Loyalty Center, 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 Service Fees and Appointment Fees, as described in Sections 8.5 and 8.6, for the services provided by the SLC. Franchisor reserves the right to discontinue operation of the SLC and, in such event, the Service Fees and Appointment Fees shall no longer apply.

5.13.2 All business generated by Franchisee within its 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 Franchisor's '800' number and/or website as well as inquiries and requests for service provided to Franchisee directly.

5.13.3 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.

5.14 Refresher Training

5.14.1 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.

5.14.2 Franchisee will pay Franchisor's then-current charge for refresher training, and Franchisee shall be responsible for its own travel expenses, meals and lodging, including those of its 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.

5.14.3 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.

5.15 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. 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 directory.

5.16 Service Requests

5.16.1 Inside Designated Territory. 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 may fulfill such order itself or direct same to another franchisee, without compensating Franchisee for its failed efforts. Franchisee shall not directly solicit or service any clients outside of the Designated Territory without Franchisor's prior written consent.

5.16.2 Outside Designated Territory. 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, Franchisor may require Franchisee to provide the Services to said client and to pay the Appointment Fee referenced in Section 8.6. 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.

5.17 Supply Manual

Franchisor will publish and distribute from time to time a supply manual designating suggested and/or required sources for equipment, products, services, and supplies, such as forms, boxes, packing materials, signs, cards, stationery and other items and/or services necessary to operate the Franchised Business. The suggested and/or required source of supply for equipment, products, supplies and services may be Franchisor, an affiliate of Franchisor, or an independent supplier that Franchisor designates. Franchisee must purchase all equipment, products, supplies and services from the designated supplier, which may be Franchisor (or its affiliate), or if no such supplier is designated then a supplier approved by Franchisor (or its affiliate). Franchisor (or its affiliate) may charge a reasonable mark-up on equipment, products, supplies and services that Franchisee is required to purchase from Franchisor (or its affiliate).

All equipment, products, supplies and services that Franchisee purchases must meet our minimum standards and specifications and be from suppliers Franchisor approves. If Franchisor develops any proprietary products of equipment in the future, Franchisee must purchase such products or equipment from Franchisor or Franchisor's designated supplier. The supply manual may, at Franchisor's option, be included as part of the Manual.

5.18 Approved 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 ('**Approved Vendor Programs**'). Franchisee shall follow all of Franchisor's policies and procedures for participation in or termination of Approved Vendor Programs ('**Program Rules**'). Franchisor can refuse or terminate Franchisee's participation in Approved 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 Approved Vendor Programs. Franchisor may, in connection with Approved 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 System Standards and specifications for College Hunks Hauling Junk and/or College Hunks Moving businesses, and Franchisor may require such approved vendor(s) or other approved 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 approved vendors or permission for them to serve as an approved supplier for the System (collectively, '**Approved Vendors**'). Franchisor may require, and certain approved suppliers that Franchisor designates as Approved Vendors may require, that Franchisee agree to enter into certain agreements with them (subject to Franchisor's approval) in connection with their designation as Approved Vendors or approved suppliers or Franchisee's participation in the Approved Vendor Program (the '**Approved Vendor Agreements**'). Franchisor may require that Franchisor be a party to such Approved Vendor Agreements with Approved Vendors. Franchisee acknowledges and agrees that: (a) monies or other remuneration that Franchisor receives in connection with Approved Vendor Programs or other benefits it receives from Approved Vendors or approved suppliers is fair and appropriate compensation to Franchisor in connection with its active efforts to evaluate them as Approved Vendors or approved suppliers, Franchisor's ongoing efforts to monitor and evaluate whether they continue to meet Franchisor's requirements for participation as Approved Vendors or approved suppliers, and Franchisor's administration of Approved 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 Approved 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 Approved 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 an Approved Vendor or approved supplier. In such instances, Franchisor may limit the number of Approved 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 approved vendor of any applicable product or service.

5.19 ACUTE FS Bookkeeping

At all times during the Term, Franchisee must use ACUTE FS, operated by our affiliate. In connection with this participation, Franchisee must execute an agreement with our affiliate governing the terms and conditions of ACUTE FS program in the form attached as Exhibit G.

5.20 Artwork and Templates

Franchisor will provide Franchisee initially and periodically throughout the Term 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.

ARTICLE VI. CONFIDENTIAL OPERATIONS MANUAL

6.1 Confidential Operations Manual

6.1.1 Franchisor shall, in conjunction with Franchisor's training program and in conformity with the terms and conditions of this Agreement, loan 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.

6.1.2 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 to establish the channels of communication with Franchisor and Franchisee's clients as required by Franchisor from time to time, including e-mail, internet and other electronic forms of communication, and that Franchisee will acquire and maintain any computer or other components necessary for the transmission of such communications. For brand consistency and uniformity, Franchisor may 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).

6.2 Conduct of Franchised Business

In order to protect the reputation and goodwill of 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.

6.3 Confidential Information

Franchisee acknowledges and agrees that the Manual, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein constitutes Confidential Information. Franchisee must maintain Confidential Information as secret and confidential including, without limitation: Franchisee shall not, at any time, without 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.

6.4 Sole Property of Franchisor

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

6.5 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 System Standards 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 Franchisor.

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

6.6 Franchisee to Keep Current

Franchisee shall at all times ensure that its 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 Franchisor at its home office shall be controlling.

6.7 Modification of System Standards

Franchisor and Franchisee acknowledge there may be circumstances that require Franchisee to modify the System Standards. The Franchisor and Franchisee recognize the System Standards and Manual are an operational guideline for conducting Franchisee's business operations and, although Franchisee shall use its best efforts to faithfully follow the System Standards and guidelines set forth in the Manual, Franchisor shall be permitted to modify the System Standards and guidelines from time to time in its sole discretion. To the extent any of the System Standards 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.

6.8 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 ('**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 does not grant Franchisee any right, title or interest, at law or in equity, in or to any of the Proprietary Properties 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 itself in any manner that might indicate to others, that Franchisee 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 Properties are valid and enforceable (without defense or recourse). Franchisee represents and warrants that it 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 Proprietary Marks by Franchisee shall conform to System Standards set by and 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 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. 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.

7.7 Identification of Franchisee

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

7.7.2 During the Term, Franchisee shall identify itself 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, employee handbooks, employee applications and payroll 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 Franchisor, Franchisee shall direct its 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 as Exhibit B. If Franchisee fails promptly to direct its telephone company to effect such transfer, Franchisee hereby irrevocably appoints Franchisor as its 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 it 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. 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 (even if the Franchised Business is impacted), 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

7.11.1 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.

7.11.2 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

8.1.1 Initial Franchise Fee Amount. The Initial Franchise Fee, regardless of which line of business 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 the Franchised Business, which Zone will be Franchisee's Designated Territory. The amount of the Initial Franchise fee payable is as follows:

8.1.2 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 \$45,000. If Franchisee is purchasing both the College Hunks Hauling Junk® and the College Hunks Moving® concepts, then the Initial Franchise Fee payable hereunder is \$65,000. 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 \$7,500.

8.1.3 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 20% of the population in the Zone; provided, however, that in no event shall the Designated Territory include less than 5,000 people and provided, further, that 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.

8.1.4 Initial Franchise Fee – Conversion Franchise. If Franchisee is currently in a similar business and wishes to convert its 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 \$65,000 (or \$45,000 if only purchasing

either the College Hunks Hauling Junk® or the College Hunks Moving® concept (but not both)) 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 \$35,000 (or \$15,000 if only purchasing either the College Hunks Hauling Junk® or the College Hunks Moving® concept (but not both)).

8.1.5 In the event Franchisee wishes to purchase 1 or more additional Zone(s), such Zone(s) must be contiguous to Franchisee's Designated Territory and Franchisee must pay the additional fee specified in Section 8.1.6, 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. Franchisor may require Franchisee to open and continuously operate an additional office for each additional Zone granted to Franchisee, in Franchisor's sole discretion. Unless otherwise agreed in writing by Franchisor, Franchisee will not be eligible to purchase additional Zone(s) during the Term 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.

8.1.6 If Franchisee elects to purchase additional Zones and both the College Hunks Hauling Junk® and the College Hunks Moving® concepts at any point after the Franchised Business has been in operation for 12 months or more, then the cost for each additional Zone shall be \$55,000 or Franchisor's then-current additional Zone fee, whichever is higher, for each additional Zone Franchisee purchases. If Franchisee elects to purchase additional Zones and either the College Hunks Hauling Junk® or the College Hunks Moving® concept (but not both) while the Franchised Business is being operated, then the cost for each additional Zone shall be \$45,000 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). We may periodically change the qualifications and criteria for purchasing additional Zones.

8.1.7 If Franchisee elects to purchase an additional fraction of a Zone, whether at the same time this Agreement is executed or during the Initial Term, then the cost for such fractional Zone shall be \$20,000 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.

8.1.8 During the Initial Term, 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 \$45,000, provided that: (i) the other concept is then available for purchase within the Designated Territory and has not been sold to another franchisee; (ii) Franchisee satisfies Franchisor's then-current criteria for new franchisees; (iii) Franchisee is not in default of this Agreement; and (iv) Franchisee is in good standing under this Agreement. This additional concept fee is payable when Franchisor approves Franchisee to purchase the additional concept and is not refundable.

8.1.9 All of Franchisee's Zones (or fractional Zones) which together will comprise the Designated Territory shall be listed on Exhibit A, which 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.

8.1.10 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 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. Where the operation of the Franchised Business has been interrupted, all sales assumed to have been lost by Franchisee by virtue of such interruption, being the basis upon which an insurer has paid business interruption insurance, shall also be included in the calculation of Gross Sales.

8.2.3 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 February 15th immediately following the end of the calendar year of operations 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. If Franchisee operates both the College Hunks Hauling Junk® and College Hunks Moving® lines of business, Franchisee must achieve the Minimum Annual Royalty for each line of business found in the chart below. If Franchisee operates both the College Hunks Hauling Junk® and College Hunks Moving® lines of business, the excess royalty from one line of business will not offset a minimum royalty deficiency due from the other line of business. For purposes of this Agreement, the '**Minimum Annual Royalty**' shall be:

Time Period*	Minimum Annual Royalty (Per Zone) - Junk**	Minimum Annual Royalty (Per Zone) - Move**
Year 1	\$8,050	\$16,100
Year 2	\$8,893	\$17,787
Year 3	\$9,737	\$19,473
Year 4	\$10,733	\$21,467
Year 5	\$11,270	\$22,540
Year 6	\$11,807	\$23,613
Year 7	\$12,420	\$24,840
Year 8	\$13,033	\$26,067
Year 9	\$13,647	\$27,293
Year 10***	\$14,337	\$28,673

* 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 10,’ which shall apply during the entire Renewal 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.

8.2.4 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.

8.3 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 Technology Fee

In addition to the Initial Franchise Fee, Continuing Royalty Fee, and Brand Development Fee, Franchisee shall pay to Franchisor a technology fee (the ‘**Technology Fee**’) in an amount equal to 1% of Franchisee’s Gross Sales during the previous 2-week period. The Technology Fee is payable at the same time and in the same manner as the Continuing Royalty Fee.

8.5 Service Fee

Franchisee shall be required to pay to Franchisor a service fee (‘**Service Fee**’) for each Customer Service Call that the SLC receives in excess of 25% of the number of scheduled appointments booked for Franchisee in any calendar month. For example, if there were 100 appointments booked in a given month, Franchisee would not be charged for a Customer Service Call until there have already been 25 Customer Service Calls within that same month. The Service Fee is payable monthly and in the same manner as the Continuing Royalty Fee. Franchisee acknowledges and agrees that the cost and scope of services covered by the Service Fee may increase over the Term. Franchisee agrees to pay increased Service Fees during the Term.

8.6 Appointment Fee

In addition to the Service Fee, Franchisee will pay the then-current appointment fee as set forth in the Manual or otherwise in writing by the Franchisor per scheduled appointment by the SLC (the ‘**Appointment Fee**’). Currently, the Appointment Fee is 6% of Gross Sales received by Franchisee from customer per appointment for each junk removal service scheduled by the SLC, including estimates and general labor, and 5% of Gross Sales received by Franchisee from customer per appointment for each moving service scheduled by the SLC, including estimates and moving labor. Franchisee will not be required to pay the Appointment Fee for self-generated sales, self-booked sales, or online bookings. The Appointment Fee will be billed by 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 moved labor, booked junk removal estimate, booked general labor, booked in-home estimate, booked junk removal consultation, or any job, appointment, or estimate booked by the SLC regardless of the nature of the job, appointment or estimate. 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 may monitor the system-wide cancellation average and to audit Franchisee's cancellations to determine their validity. If Franchisor determines that Franchisee has submitted misleading or invalid cancellations, Franchisee shall be in material default of this Agreement. 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 Franchisee feels was booked incorrectly, Franchisee can submit an incident report request for refund.

8.7 Providing Services to Clients Outside the Designated Territory

8.7.1 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. You will not be eligible to lease any Temporary Zones unless you are in good standing under your Franchise Agreement and meet our then-current qualifications and criteria for expansion. The Franchisee will pay a monthly leasing fee for leased zip codes (the **'Temp Fee'**). The Franchisor may terminate Franchisee's right to the service clients in the Temporary Zones immediately upon written notice for any reason. Franchisee may terminate Franchisee's right to service clients in the Temporary Zones for any reason upon 30-days written notice to Franchisor. 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 System Standards and relationships with neighboring franchisees, we may require that you adhere to certain pricing levels for your service offerings. Franchisee shall pay Franchisor a semi-monthly Continuing Royalty Fee equal to 8% of the Gross Sales generated, billed but not collected, earned, derived and/or received by the Franchised Business for the prior period's operations outside of the Designated Territory. The Continuing Royalty Fee for Gross Sales generated, billed but not collected, earned, derived and/or received by the Franchised Business for the prior period's operations outside of the Designated Territory will be due at the same time and in the same manner as Gross Sales generated, billed but not collected, earned, derived and/or received by the Franchised Business for the prior period's operations inside of the Designated Territory. 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.

8.7.2 Notwithstanding anything to the contrary in Section 8.6 or any other section of this Agreement, Franchisee must immediately cease providing Services in any unassigned Zone immediately upon written receipt of notice from Franchisor to stop. If Franchisee fails to do so, Franchisor may terminate this Agreement.

8.7.3 Unless specifically authorized in writing by Franchisor pursuant to Section 3.2, Franchisee is not permitted to provide Services within a designated territory assigned to another franchisee or reserved for Franchisor or its affiliate. If Franchisee provides any Services within a designated territory assigned to another franchisee or reserved for Franchisor or its affiliate, without the prior written consent of such person, Franchisor may terminate this Agreement.

8.8 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.

8.9 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.

8.10 Application of Funds; Application of Payments

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 may not 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. Notwithstanding any designation by Franchisee, Franchisor shall have sole discretion to apply any payments by Franchisee to any of Franchisee's past due indebtedness for Continuing Royalty Fees, Brand Development Fees, Support Fees, Appointment Fees, purchases from Franchisor or its affiliates, interest or any other indebtedness.

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 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 Franchisor's agreement to accept such payments after same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's Franchised Business. Further, Franchisee acknowledges that its failure to pay all amounts when due shall constitute grounds for termination of this Agreement.

8.12 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 D, together with any other forms required by Franchisor's or Franchisee's bank, and Franchisee shall comply with the payment and reporting procedures specified by Franchisor in the Manual. Franchisee expressly acknowledges and agrees that Franchisee's obligations for the full and timely payment of Continuing Royalty Fees, Brand Development Fees, Support Fees or Appointment Fees (and all other amounts provided for in this Agreement) shall be absolute, unconditional, fully earned, and due upon Franchisee's generation and receipt of Gross Sales. Franchisee shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims Franchisee may allege against Franchisor, the Brand Development Fund, any advertising cooperative or others. Franchisee shall not, on grounds of any alleged non-performance by Franchisor or others, withhold payment of any fee, including without limitation Continuing Royalty Fees, Brand Development Fees, Support Fees or Appointment Fees, nor withhold or delay submission of any reports due hereunder, including but not limited to sales reports.

8.13 Payments Made to Franchisor Directly

Franchisor may require at any point during the Term that all payments owed by customers of Franchisee to be paid directly to Franchisor or Franchisor's designated third-party vendor. If Franchisor requires such direct payment, Franchisee agrees to take any actions necessary to assign payment of revenues from Franchisee to Franchisor or Franchisor's designated third-party vendor. Franchisor will then subtract from any such customer payment all amounts owed to Franchisor or its affiliates by Franchisee, including without limitation, any Continuing Royalty Fees, Brand Development Fees, Support Fees, and Appointment Fees, then remit to Franchisee by electronic transfer the net amount of such customer payments after such obligations are satisfied.

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 the greater of the then-current Index or an increase of 3% 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 option 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.

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 System Standards 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.

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 Franchisee's Designated Territory.

9.1.3 Franchisee shall, at all times during the Term, 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 six months of operating capital for the entirety of the Designated Territory. The term '**Liquid Capital**' means all cash, loans, lines of credit of the Franchised Business, or such other assets as can be liquidated in less than one 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 150 days after this Agreement is executed. Franchisee will not be permitted to commence operation of the Franchised Business until Franchisee has all the required licenses, permits, resources and equipment to operate the Franchised Business as determined by Franchisor, which includes, without limitation, Service Vehicles to operate the Franchised Business. If Franchisee will operate the College Hunks Hauling Junk® and the College Hunks Moving® lines of business, both the College Hunks Hauling Junk® and the College

Hunks Moving® lines of business must be fully operational no later than ninety (90) days after the Commencement of Business.

Upon written request to Franchisor, Franchisor may extend the deadlines in this Section 9.2 for such period of time that Franchisor deems appropriate in its sole discretion, provided, however, that the cause of delay is beyond the reasonable control of Franchisee, Franchisee has exercised reasonable due diligence to comply with this Section 9.2, and Franchisee provides evidence or documentation of such cause with its request. Reasonable cause for delay may include, by way of illustration, strikes, fires, pandemics, 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 its requirement to pay fees to Franchisor as described herein.

9.3 Compliance with Laws and Good Business Practices

9.3.1 At all times during the Term, Franchisee shall:

(a) secure and maintain in force in its name all required licenses, permits and certificates relating to the operation of its Franchised Business;

(b) operate its 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;

(c) independently investigate or hire a professional to advise Franchisee on the legal and regulatory requirements for operation of the Franchised Business;

(d) in all dealings with its clients, suppliers, Franchisor and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct;

(e) refrain from any business or advertising practice which may be injurious to the business of Franchisor and the goodwill associated with the Proprietary Marks and other Franchised Businesses;

(f) comply with the code of conduct or other standards of conduct of business which are set forth by Franchisor in the Manual or otherwise in writing, as may be modified from time to time; and

(g) wear, and require its employees 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).

9.3.2 Anti-Terrorism Laws. 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 Term, 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 its 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 Training Program. Franchisee (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 Franchisee or otherwise fails to devote his or her full time and best efforts to the management and operation of the Franchised Business, 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, Franchisee and/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, or Franchisee and/or its owners/principals wish to engage in or operate any other type of business which constitutes a Competitive Business, 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 would be a Competitive 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. Franchisee 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 System Standards for Moving Trucks may be different from the System Standards for Junk Trucks. If Franchisee wishes to purchase used Service Vehicle(s), such Service Vehicle(s) must be no more than eight years old, and must be approved by Franchisor prior to purchase, which approval will not be unreasonably withheld. If Franchisee is opening a new Franchised Business, Franchisee must acquire a Service Vehicle(s) of the model year or newer in which they are commencing operations of the Franchised Business. If Franchisee is purchasing an existing location (transfer) and Franchisee determines that an additional Service Vehicle(s) is to be purchased at the time Franchisee is purchasing the Franchised Business, then Franchisee must acquire a Service Vehicle(s) of the model year or newer in which they take over operations of the Franchised Business.

9.5.1 Number of Service Vehicles.

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. Franchisee must maintain at all times at least one Service Vehicle for each service provided.

Franchisee shall add a second 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 \$25,000 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 \$25,000 or more in any given month. Notwithstanding the foregoing, if Franchisee owns three or more Zones, Franchisee shall 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 the third year of operations, regardless of the level of Gross Sales.

Franchisee may add additional Service Vehicles to better serve its 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.

If Franchisee purchases additional Zone(s) during the Term, 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 its 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 or telematics 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. Franchisor reserves the right to require Franchisee to place vehicle cameras on, and in, the Service Vehicle(s).

9.5.3 Condition. Franchisee shall maintain its 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 System 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 Franchisee pursuant to an agreement with Franchisor. Nothing in this Agreement is intended to create a fiduciary relationship between Franchisee and Franchisor or to cause Franchisee to be an agent, legal representative, subsidiary, joint venture, partner, employee or servant of Franchisor for any purpose whatsoever. It is understood and agreed that 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 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.

Franchisee must give Franchisor prior written notice of the disposition of any Service Vehicle, including verification of the removal of all logos, signage and Proprietary Marks. In addition, during the Term, 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 its Service Vehicle(s) and shall maintain at all times during the Term such automobile insurance policies and coverage amounts as may be prescribed in the Manual from time to time. Franchisor reserves the right to require Franchisee to put any and all of Franchisee's employees who operate or ride within a Service Vehicle through a driver safety class and/or driver safety training.

9.5.8 Compliance with Law. Franchisee shall at all times comply and cause its 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 its 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 its 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 its employees to cooperate, fully with such inspection(s), and shall give its 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 its Service Vehicle(s), rather than purchasing them, the following shall apply:

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.

9.5.13 Purchase of Service Vehicle. If Franchisee purchases its 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 Franchisor or brings 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 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 its 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 System 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 System Standards. 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, 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 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 one or more particular franchise agreements have expired or have been terminated.

9.11 Computer System

9.11.1 Computer Hardware. Franchisee shall (at its sole cost and expense) purchase or lease and maintain throughout the Term 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.

Franchisor shall specify the particular computer hardware and peripheral equipment which Franchisee must purchase or lease and maintain at all times during the operation of the Franchised Business. 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.

9.11.2 Technology Changes. Franchisee acknowledges and agrees that changes to technology are dynamic and not predictable within the Term. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor may establish System Standards for the implementation of technology in the System. Franchisee agrees to abide by and fully adopt and implement, at its expense, System Standards for technology as established by Franchisor from time to time. There are no contractual limits on this obligation.

9.12 Data Ownership, Use, and Protection.

9.12.1 Ownership. Franchisee agrees and acknowledges that, with the exception of its personnel records and information relating to its employees, Franchisor is the sole owner of any data collected or processed by Franchisee in relation to the Franchised Business, including, without limitation, any information relating to customers, sales, profitability (**'Franchisor Data'**). Franchisor grants Franchisee a limited license to use the Franchisor Data during the Term for the sole purpose of operating the Franchised Business, which license shall be automatically revoked upon the earlier of the termination or expiration of this Agreement.

9.12.2 Data and Consumer Protection Laws. Franchisee represents, warrants and covenants that it is familiar with the requirements of, and that it has been, is and will continue at all times to be, in compliance with all consumer protection, data protection, privacy and cybersecurity laws applicable to the Franchised Business, the System, Franchisor or Franchisee, including but not limited to the Regulation 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the Processing of Personal Data and on the free movement of such data (General Data Protection Regulation) (**'GDPR'**), the California Consumer Privacy Act of 2018 (**'CCPA'**), the Telephone Consumer Protection Act of 1991 (**'TCPA'**), the Controlling the Assault of Non-Solicited Pornography and Marketing Act (the **'CAN-SPAM Act'**), the Telemarketing Sales Rule (**'TSR'**) and the Junk Fax Prevention Act, any regulations related thereto, and similar federal, state and local privacy-related and telemarketing-related laws, rules, regulations and ordinances (collectively **'Data Protection Laws'**). In the event that Franchisee receives notice of a potential violation of any Data Protection laws from any person or entity, Franchisee shall notify Franchisor by e-mail at legalandbrandprotection@chhj.com within fifteen (15) calendar days following Franchisee's receipt of such notice, action or investigation. Additionally, Franchisee shall take such actions and execute such documents, disclosures, and notices as required by law or as requested by Franchisor that are necessary for compliance with any of the Data Protection Laws by Franchisor. Franchisee will reimburse Franchisor for all costs and damages incurred in connection with Franchisee's non-compliance with the Data Protection Laws.

9.12.3 Individual Rights Requests. Franchisee shall promptly notify Franchisor, and in any case within two (2) days of receipt, unless specifically prohibited by laws applicable to Franchisee, if Franchisee receives (i) any requests from an individual with respect to the consumer's personally identifiable information, including opt-out requests, requests for access and/or rectification, erasure, restriction, requests for data portability and all similar requests; or (ii) any complaint relating to the processing of personally identifiable information, including allegations that the processing infringes on an individual's rights ('**Individual Rights Requests**'). Franchisee will provide relevant information and assistance reasonably requested by Franchisor to demonstrate Franchisee's compliance with its obligations under this Agreement and assist Franchisor in meeting its obligations under Data Protection Laws regarding: (i) ensuring the security of Franchisor Data; and (ii) the carrying out of privacy and data protection impact assessments and related consultations of data protection authorities. Franchisee agrees that it will inform Franchisor if it believes that any Franchisor instructions made in the context of an audit or inquiry regarding the collection or processing of Franchisor Data pursuant to this Agreement would violate applicable law. If Franchisee develops any online presence, in compliance with the Manual, Franchisee shall be solely responsible for ensuring such online presence is maintained with accurate disclosures and policy notices and complies with Data Protection Laws.

9.12.4 Protection of Data. Franchisee shall and shall cause its employees and representatives to implement, maintain and enforce adequate administrative, electronic, technical, physical, logical, and other security measures and safeguards consistent with the most stringent and protective of the following: (a) industry best practices; (b) any applicable Franchisor policies (c) the information security policies of Franchisee; and (d) applicable laws in order to: (i) prevent unauthorized access, use or disclosure of the Franchisor Data and Confidential Information of Franchisor (including during storage, transmission and disposal); (ii) protect against any anticipated threats or hazards to the security or integrity of the Franchisor Data and Confidential Information of Franchisor; (iii) limit access to the Franchisor Data and Confidential Information of Franchisor to those personnel of Franchisee who have a reasonable need for such information; and (iv) ensure the proper, secure and lawful storage, transmission and disposal of the Franchisor Data and Confidential Information within possession or control of Franchisee, its employees, or other representatives. Franchisee shall and shall cause its employees, or other representatives to encrypt all Franchisor Data during storage and transmission. Franchisor may, from time to time, notify Franchisee of additional, new or updated security requirements; provided, that Franchisee shall be responsible for any Franchisee costs required to implement such requirements. Franchisee shall and shall cause its employees and representatives to comply with such new security requirements within sixty (60) days of notice thereof. Franchisee shall ensure that Franchisor Data is not physically transferred to, accessed by, or otherwise processed by any personnel or systems outside of the United States or any country or territory where the Franchised Business is located; provided, however, that Franchisor shall have unlimited access to such Franchisor Data.

9.12.5 Unauthorized Disclosure of Data. Franchisee agrees to monitor its system for unauthorized access and to implement an incident response policy that specifies actions to be taken when Franchisee detects or becomes aware of such unauthorized access to its information systems. As part of such response programs, Franchisee agrees to notify Franchisor, by telephone, within twenty four (24) hours upon becoming aware of any breach, or attempted or suspected breach, of its security related to areas, locations, or computer systems which contain any Franchisor Data or other Confidential Information, including (without limitation) any instance of theft, loss, unauthorized access, alteration or destruction by fraud, deception, or other malfeasance or inadvertent access (a '**Security Incident**'). For the avoidance of doubt, a Security Incident will include, without limitation, a ransomware attack, distributed denial-of-service attack or any other similar incident whereby a third party obtains control over Franchisee's systems. In the event of any such Security Incident, Franchisee shall further provide to Franchisor, in writing, such details concerning the Security Incident as Franchisor may reasonably request and shall reasonably cooperate with Franchisor, its regulators and law enforcement to assist in regaining possession of such

Confidential Information and prevent its further unauthorized use, and take (and document) any necessary remedial actions as may be required to prevent other or further Security Incidents. All information relating to the Security Incident must be retained by Franchisee until Franchisor has consented in writing to its destruction. If requested by Franchisor and subject to Franchisor's confidentiality obligations, Franchisee shall permit Franchisor and its agents to access Franchisee's facilities and/or the affected hardware or software, as applicable, to conduct a forensic analysis of such Security Incident. Depending upon the type and scope of the Security Incident, Franchisor personnel may participate in: (i) interviews with Franchisee's employees and subcontractors involved in the Security Incident; and (ii) review of all relevant records, logs, files, reporting data, systems, Franchisee devices, and other materials as otherwise required by Franchisor. If Franchisor determines that it may need to notify any individual(s) as a result of such Security Incident (unless such Security Incident was solely caused by Franchisor's negligence), Franchisee shall bear all direct and indirect costs associated with such determination including, without limitation, the costs associated with remedial measures (including, without limitation, notice to affected individuals, credit monitoring services, identity restoration services, fraud insurance, the establishment of a call center to respond to customer inquiries and any forensic analysis required to determine the scope of the Security Incident). Franchisee's obligations under this Section and any breach by Franchisee of the obligations in this Section shall not be subject to any limitations on damages suffered by Franchisor. No limitation or exclusion in the Agreement shall limit Franchisor's rights to recover from Franchisee damages, losses or sanctions suffered by Franchisor to the extent of amounts recovered by, or sanctions awarded to, a third party which are caused by Franchisee's breach of the obligations in this Section, regardless of how such amounts or sanctions awarded to such third party are characterized.

9.12.6 PCI Compliance. Without limiting any other obligation of Franchisee under this Agreement, Franchisee acknowledges and agrees that it is responsible for securing data related to any and all payment methods by customers ('**Payment Card Data**') and that the following provisions shall apply:

(a) Franchisee shall and shall cause its employees and representatives to comply with (a) the most current version of the Payment Card Industry Data Security Standards (including the payment application data security standards), as amended or updated from time to time (the '**PCI Security Standards**') and (b) the requirements set forth herein for the handling of Payment Card Data and any such related obligations as reasonably requested by Franchisor from time to time.

(b) Franchisee acknowledges and agrees that Payment Card Data may only be used for assisting in completing a card transaction, for fraud control services, or as otherwise permitted by Franchisor. Franchisee shall handle all Payment Card Data in accordance with the PCI Security Standards, applicable law and the requirements of the agreements between Franchisee and processors of Payment Card Data.

(c) In the event of a Security Incident with respect to Payment Card Data, in addition to the obligations of Franchisee set forth in this Section 9.12, Franchisee shall and shall cause its employees and representatives to promptly provide Franchisor or its designee (e.g., Visa, MasterCard, American Express, Discover), and the issuing financial institution and their respective designees access to the facilities and all pertinent records of Franchisee and its employees and representatives to conduct a review of Franchisee's compliance with the requirements set forth in this Section. Franchisee shall and shall cause its employees and representatives to cooperate fully with any reviews of their facilities and records provided for in this paragraph. Franchisee agrees to keep confidential any breach of security involving Payment Card Data and will direct all public communications regarding such breach to Franchisor.

(d) Franchisee is responsible for securing and protecting the confidentiality of Payment Card Data in its possession for as long as the Payment Card Data is maintained, including after expiration or termination of this Agreement.

9.13 Authorized Products and Services

9.13.1 The reputation and goodwill of 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 Franchisor shall authorize for the Franchised Business, including but not limited to any newly developed proprietary products or equipment by Franchisor. Franchisee further agrees that he/she will not sell its client list(s) or client contracts, or otherwise use its client list(s) for any purpose other than in connection with the operation of its Franchised Business. Franchisee agrees that he/she will not, without the prior written approval by 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 its 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 Franchisor or its affiliates, such as re-usable moving boxes, moving or storage containers, roll-off containers, and storage services.

9.13.2 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 may 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 Franchisee, its employees or agents during the Term and relating to the Franchised Business, whether developed separately or in conjunction with Franchisor, shall constitute Confidential Information. Franchisee hereby grants to Franchisor an irrevocable, worldwide, exclusive, royalty-free license, with the right to sub-license such product or service.

9.14 Approved Products and Supplies

Franchisee agrees that all products and supplies used in its Franchised Business shall comply with System 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 Franchisor, Franchisee shall notify Franchisor of its desire to do so and submit to Franchisor specifications, photographs, samples and/or other information requested by Franchisor. Franchisor shall, within a reasonable time, determine whether such

products, supplies or such supplier meets its specifications and System Standards and notify Franchisee whether he/she is authorized to use such product or supply item or purchase from such supplier.

9.15 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 System Standards 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.

9.16 Employee Training

Franchisee shall offer such continuing training programs to its managers as are specified in the Manual.

9.17 Advertising

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

9.18 Days and Hours of Operation

The Franchisee shall operate its Franchised Business during those days and hours prescribed in the Manual.

9.19 Inspection

9.19.1 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.

9.19.2 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.

9.19.3 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.

9.20 Reports

Franchisee shall submit to Franchisor such reports regarding the Franchised Business as Franchisor may prescribe in the Manual from time to time.

9.21 Good Faith

Franchisee shall act in good faith and use its best efforts to comply with its 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, Franchisor, the System, or the operations of any other franchisee.

9.22 Ethics

Franchisee agrees to conduct its 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 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 or moving 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 its franchise operation) in good standing and in accordance with applicable laws and regulations.

9.23 Customer Satisfaction; Operation of Franchised Business

Franchisee agrees to comply with Franchisor's requirements related to customer satisfaction as set forth in the Manual. Franchisee further agrees to participate in other customer satisfaction programs initiated by Franchisor, which may include a 'mystery shop' program. In addition, Franchisee shall use its best efforts to ensure that the Franchised Business is performing satisfactorily, in Franchisor's opinion. If Franchisor does not believe that the Franchised Business is performing satisfactorily, Franchisee agrees to participate in enrichment training, as described in Article V above. Franchisor shall pay for costs related to a 'mystery shop' program, provided that Franchisee is operating its Franchised Business satisfactorily. If Franchisor determines that a significant amount of negative feedback has occurred related to Franchisee's Franchised Business, Franchisor reserves the right, in its discretion, to require Franchisee to pay for all costs of additional mystery shopper services, which Franchisee agrees to pay when incurred and which shall be in addition to Franchisee's obligation to participate in and pay costs related to enrichment training.

9.24 Forms of Payment

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.

9.25 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.

9.26 Business Entity

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

9.26.1 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;

9.26.2 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;

9.26.3 The Principal Owner's Statement attached as Exhibit F 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 F to reflect any permitted changes in the information (no ownership changes may be made without Franchisor's prior written approval);

9.26.4 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 shall sign and deliver to Franchisor a Principal Owner's Guaranty in the form attached as Exhibit C, undertaking personally to be bound, jointly and severally, by all of the provisions of this Agreement and any related agreements between Franchisor and Franchisee; and

9.26.5 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 types and amounts of insurance coverage 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. 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; (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 at all times during the Initial Term 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; (2) employment practices liability insurance; (3) technology errors and omissions coverage, including network security/privacy covering liability for loss or damage due to an act, error, omission, or negligence and for claims arising from unauthorized access; and (4) 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 its insurance carrier(s) to provide Franchisor with such reports.

10.4 Captive Insurance Program

Franchisor has created a captive insurance program. If Franchisee obtains some or all of its insurance coverages through a captive insurance program, Franchisee must participate in the captive insurance program specified or otherwise approved by Franchisor. Franchisor may also specify the broker or any other providers Franchisee must use in connection with the captive insurance program. Franchisee's ability to participate in the captive insurance program will be subject to the qualifications specified by the captive insurance program provider and Franchisor. Franchisee's participation in the captive insurance program will also be subject to any requirements specified by Franchisor, which may include, but are not limited to, accident reporting deadlines, cooperation in claims reviews, participation in risk control meetings and training programs, equipping all Service Vehicles with onboard telematics and cameras specified by Franchisor, and allowing Franchisor access to information reported to or provided by the captive insurance provider (such as claims made, premiums paid, and risk analysis and control information). Franchisor may also require Franchisee to sign a separate agreement or addendum with Franchisor and the payment of fees and/or the reimbursement of expenses to Franchisor as a condition of participating in the captive insurance program.

ARTICLE XI. ADVERTISING

11.1 Approval by Franchisor

Franchisee shall use for its 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. Franchisor shall have sole responsibility for creation and administration of the Brand Development Fund, including designation of Brand Development Fund expenditures. Franchisee shall pay Brand Development Fees into the Brand Development Fund. 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.

11.3 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. 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 for Franchisee's Ramp-Up Campaign, and Franchisor shall spend such money on Franchisee's behalf.

11.4 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, then Franchisor reserves the right to require Franchisee to give Franchisor the money that Franchisee is required to spend on local advertising as described herein, and Franchisor shall advertise in Franchisee's local area on Franchisee's behalf. In such event, Franchisor will provide reports of such local advertising to Franchisee.

11.5 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 one 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 its 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.

11.6 Social Media Policy

Franchisor maintains a social media presence on behalf of the franchise network and monitors and addresses social media posts that generally relate to the Proprietary Marks and our brand. Franchisor will assist Franchisee with establishing an online social media presence for the Franchised Business. Franchisor may provide Franchisee with advertising materials and draft social media posts, which Franchisee may opt out of or choose to use. Franchisor may provide Franchisee with training on marketing and social media to enable Franchisee to create content for the Franchised Business. Franchisee shall strictly comply, and ensure that its 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, Twitter and Instagram.

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 its 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 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, Technology Fees, SLC Service 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 1:00 P.M. Eastern Standard Time (or such time designated in the Manual) on 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 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 and in the format required by Franchisor;

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

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

12.3.2 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.

12.3.3 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 If 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 If there is a deficiency, this deficiency shall be considered a material default of this Agreement and Franchisor may 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 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 Initial Term and any renewal hereof, Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a franchise granted by 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 Franchisor reserves the right to specify.

13.3 Indemnification by Franchisee

Franchisee agrees at all times to defend, at its 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 in this Section 13.3) 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: (i) Franchisee's infringement or any other violation of any patent, trademark or copyright or other proprietary right owned or controlled by third parties; (ii) Franchisee's violation or breach of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard, including without limitation Data Protection Laws, the PCI Security Standards, Department of Transportation laws, or laws and regulations related to Franchisee's employment of its personnel; (iii) libel, slander or any other form of defamation by Franchisee; (iv) Franchisee's violation or breach of any warranty, representation, agreement, or obligation in this Agreement; (v) any acts, errors, or omissions of Franchisee or any of its agents, servants, employees, contractors, partners, proprietors, affiliates, or in any manner in connection with the Franchised Business;

(v) the inaccuracy, lack of authenticity, or omission of any information by Franchisee; (vi) any service provided by Franchisee at, from, or related to the operation at the Approved Location or from the Service Vehicle; or (vii) any services provided by any affiliated or non-affiliated participating entity. For the purpose of this Section, the term **‘Losses and Expenses’** includes 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 misconduct.

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 its 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 from all losses and expenses (as hereinafter defined in this Section 13.4) 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: (i) a third party claim that Franchisee’s authorized use of the Proprietary Properties infringes on the patent, trademark or copyright owned or controlled by such third party or otherwise violates such third party’s intellectual property rights; or (ii) Franchisor’s violation or breach of any applicable federal, state, or local law or regulation in the performance of its obligations under this Agreement. For the purpose of this Section 13.4, the term **‘Losses and Expenses’** includes all losses; compensatory, exemplary, or punitive damages awarded to such third-party claimant in a final, unappealable judgment; fines, charges, costs, expenses, attorneys’ fees, experts’ fees, court costs, settlement amounts and non-appealable judgments. 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 or willful misconduct.

ARTICLE XIV. CONFIDENTIAL INFORMATION

14.1 Types of Confidential Information

Franchisee shall not, during the Term or at any time thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation any Confidential Information. Franchisee shall divulge such Confidential Information only to such of its employees or officers and directors who must have access to it in order to operate the Franchised Business.

14.2 Disclosure and Limitations on Use

Franchisee shall require all personnel having access to the Confidential Information provided by 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 a form acceptable to Franchisor. 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 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 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

15.1.1 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 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, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

(a) own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any business offering the Services, in whole or in part (a '**Competitive Business**');;

(b) 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; or

(c) directly or indirectly, persuade or entice, or attempt to persuade or entice any employee or consultant of another Franchised Business to 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.

15.1.2 Franchisee further shall not, during the term, 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 15.1.2 shall not prevent or restrict Franchisee from making any truthful statement in connection with any legal proceeding or investigation by any governmental authority.

15.2 Post-Term Covenants

15.2.1 In further acknowledgment of the specialized training and knowledge that Franchisee will obtain pursuant to this Agreement, Franchisee covenants that, except as otherwise approved in writing by 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 itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

(a) own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in a Competitive Business within a radius of 20 miles of (1) Franchisee's Designated Territory; or (2) the Designated Territory of any business using the System and/or the Proprietary Marks, whether franchised or owned by Franchisor or its subsidiary or affiliated companies;

(b) 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; or

(c) directly or indirectly, persuade or entice, or attempt to persuade or entice any employee or consultant of another Franchised Business to 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.

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 Directives.

In the event of any dispute related to this Article XV, Franchisee expressly acknowledges the following:

15.3.1 that the restrictions set forth in this Article XV are reasonable and necessary in order to protect (i) Franchisor's legitimate business interests, including without limitation the interests of Franchisor's other franchisees; (ii) the confidentiality of Franchisor's Confidential Information; (iii) the integrity of the System; (iv) Franchisor's investment in the System; (v) the investment of other franchisees in the System; and (vi) the goodwill associated with the System;

15.3.2 that the restrictions set forth in this Article XV will not unduly burden Franchisee's or its owners' ability to earn a livelihood;

15.3.3 that Article XV should be construed under the laws governing distribution contracts between commercial entities in an arms-length transaction, and not under laws governing employment contracts; and

15.3.4 that any violation of the terms of this Article XV (i) was accompanied by the misappropriation and inevitable disclosure of Confidential Information; and (ii) constitutes a deceptive and unfair trade practice and unfair competition.

15.4 Interpretation 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 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. Franchisee agrees to pay all damages, costs, and expenses (including reasonable attorney's fees) Franchisor may incur in enforcement of this Article XV. If Franchisee fails to comply with the covenants in this Article XV, then the restrictive period will be extended for each day of noncompliance. Franchisor has the right to reduce the scope of any restrictive covenant set forth in this Article IX at any time, by giving notice to Franchisee.

15.5 Franchisor May Amend

Franchisee understands and acknowledges that 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.

15.6 Existence of Claim

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

15.7 Injunction

Franchisee acknowledges that any threatened or actual failure to comply with the requirements of this Article XV would cause Franchisor to suffer immediate and irreparable injury for which no adequate remedy at law is available.

15.8 Additional Covenants

At 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:

15.8.1 Any key persons employed by Franchisee who have received training from Franchisor (it being understood that employees with the rank of 'Operations Manager' and above will be considered 'key persons');

15.8.2 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;

15.8.3 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

15.8.4 Each covenant required to be executed pursuant to this Section 15.8 shall be on a form supplied by Franchisor, including, without limitation, specific identification of 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 15.8 shall constitute a default under Article XVII hereof.

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, moving 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 XXIII below.

16.2 Assignment by Franchisee

Neither Franchisee's interest in this Franchise Agreement nor any of its 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 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 25% of the Franchised Business or the ownership or voting rights in Franchisee shall be deemed to be an Assignment.

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 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 its 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 Franchisor a transfer fee equal to (i) \$15,000 if Franchisee has 1 Zone in Franchisee's Franchised Business or (ii) \$15,000 plus \$5,000 per additional Zone if Franchisee's Franchised Business has more than 1 Zone. A \$2,500 deposit is due upon transfer request, with the remaining amount due upon transfer;

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

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

(h) Franchisee must have executed a general release in a form satisfactory to Franchisor of any and all claims against 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; and

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

Notwithstanding anything to the contrary herein, Franchisor's consent to an assignment or determination that an assignee has the skills, qualifications, licensing and economic resources necessary to conduct the Franchised Business and to fulfill its obligations to Franchisor, shall not be deemed to be or interpreted as indication that Franchisor believes the assignee has met or is capable of meeting its obligations to Franchisee.

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 its heirs, legatees, personal representatives or conservators, surviving partner(s) or fellow shareholder(s), as applicable, shall not constitute an Assignment and shall not give rise to 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 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 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 its 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 its 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 may 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 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 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

Unless such action qualifies as an assignment pursuant to Section 16.2, if, at any time during the Term, 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

17.1 Events of Default Without Right to Cure

Immediately upon the occurrence of any of the following events, all of which shall constitute an Event of Default, Franchisor may, but shall not be obligated to, exercise any of the remedies provided for in Article XVIII including, but not limited to termination of this Agreement, without providing Franchisee any notice or opportunity to cure:

17.1.1 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;

17.1.2 Franchisee fails to commence operations within the time limits set forth in Section 9.2;

17.1.3 Franchisee's landlord provides notice that the landlord is re-taking possession of the Office, an eviction proceeding is filed against Franchisee, or Franchisee otherwise loses Franchisee's right to possession of the Office;

17.1.4 Franchisee, its affiliates, or owners default, beyond any applicable cure period, under any other agreement with Franchisor or its affiliates;

17.1.5 Franchisee, its affiliates, or owners default, beyond any applicable cure period, under any agreement relating to or arising out of the operation of the Franchised Business, including without limitation, a lease, sublease, vendor agreement, supplier agreement, services agreement, loan agreement, or security interest, with any third-party.

17.1.6 Franchisee is or is discovered to have been convicted of, found guilty of, settled a claim involving, or enters in a plea of no contest a criminal or civil action involving a felony, a fraud, a crime or conduct involving moral turpitude or any other crime, offense, tortious conduct, or misconduct that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, or the goodwill associated therewith;

17.1.7 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;

17.1.8 Franchisee fails to obtain or maintain the insurance required by this Agreement;

17.1.9 Franchisee fails (i) on three or more separate occasions within any 12-month period to comply with any of its obligations under this Agreement, the System Standards and specifications set forth in the Manual or other rules, policies, or procedures established by Franchisor in writing, or (ii) on two or more separate occasions within any 6-month period to comply with the same obligations under this Agreement, or with the same standard or specification set forth in the Manual, or other rules, policies, or procedures established by Franchisor in writing. This Section 17.1.9, shall apply regardless of whether Franchisor provides notice to Franchisee of any prior noncompliance and regardless of whether the instance of noncompliance was previously cured;

17.1.10 Franchisee knowingly maintains false books and records of account or knowingly submits false or misleading reports or information to Franchisor, including any information Franchisee provided or failed to provide in the purchase of the Franchised Business;

17.1.11 Franchisee knowingly makes any unauthorized use or disclosure of any part of the Manual or any other Confidential Information;

17.1.12 Franchisee violates, fails to comply with, or otherwise is violates the code of conduct or other standards of conduct of business which are set forth by Franchisor in the Manual or otherwise in writing;

17.1.13 Franchisee or the Franchised Business thereof:

(a) becomes insolvent by reason of Franchisee's or Franchised Business's inability to pay its debts as they become due;

(b) makes an assignment for the benefit of creditors;

(c) makes an admission of Franchisee's or Franchised Business's inability to pay its obligations as they become due;

(d) files a voluntary bankruptcy petition;

(e) files any pleading seeking any reorganization, liquidation, dissolution, composition, or other settlement with creditors under any law;

(f) admits or fails to contest the material allegations of any reorganization, liquidation, dissolution, composition pleading filed against Franchisee or the Franchised Business; or

(g) is adjudicated a bankrupt or insolvent.

17.1.14 A receiver or other custodian is appointed for the assets of Franchisee or the Franchised Business; or a final judgment remains unsatisfied or of record for ninety (90) days or longer (unless supersede as bond is filed); or if execution is levied against any part of the assets of the Franchised Business or suit to foreclose any lien or mortgage is instituted against the Franchised Business and not dismissed within ninety (90) days; or if the real or personal property of the Franchised Business is sold after levy of judgment thereupon by any sheriff, marshal or constable; or the claims of creditors of Franchisee or the Franchised Business are abated or subject to a moratorium under any law; or, in the event Franchisee is a single member Limited Liability Company, and the sole member (individual or entity) files for bankruptcy or is adjudicated bankrupt;

17.1.15 Franchisee provides Services within a designated territory assigned to another franchisee or reserved for Franchisor or its affiliate without the prior written permission of such person;

17.1.16 Franchisee (or its Managing Owner) fails to attend the required Annual Convention and such absence is not excused by Franchisor in writing;

17.1.17 Franchisee misuses, or uses in an unauthorized manner, any of Franchisor's Proprietary Marks, Copyrights or Confidential Information or materially impairs the goodwill associated therewith or Franchisor's rights therein;

17.1.18 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 in accordance with System Standards;

17.1.19 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;

17.1.20 For any 2 years of operations during the Term, Franchisee fails to meet 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 notwithstanding Franchisee's payment of the difference pursuant to Section 8.2;

17.1.21 Franchisee violates any covenant not to compete set forth in Article XV of this Agreement;

17.1.22 Franchisee sells, sublicenses, assigns or transfers any interest in this Agreement or the Franchised Business in violation of this Agreement;

17.1.23 Franchisee has suffered negative growth for 6 or more consecutive months; or

17.1.24 Franchisee's default under this Agreement is, by its very nature, incapable of being cured.

17.2 Events of Default with a 10-day Right to Cure

Immediately upon the occurrence of any of the following events, all of which shall constitute an Event of Default, Franchisor may, but shall not be obligated to, exercise any of the remedies provided for in Article XVIII including, but not limited to termination of this Agreement, provided that Franchisee fails to cure the Event of Default to Franchisor's satisfaction within 10 days of written notice to Franchisee:

17.2.1 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, creditors, vendors, or other suppliers;

17.2.2 Franchisee fails to timely pay 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;

17.2.3 Franchisee purchases any products, supplies, or other materials for use in the Franchised Business from an unapproved supplier or vendor, where Franchisor designates that such purchases must be from an approved supplier or vendor;

17.2.4 Franchisee fails, refuses, or neglects to promptly, accurately, or completely submit financial or other information required by Franchisor under this Agreement;

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

17.2.6 Franchisor exercises its right to buy-out Franchisee pursuant to Section 23.1 and Franchisee refuses to accept the buy-out;

17.2.7 Franchisee refuses to permit Franchisor to inspect the Franchised Business, or its books or accounts upon demand;

17.2.8 Franchisee fails or refuses to perform junk removal or moving and related services for clients;

17.2.9 Franchisee has more than 3 open customer complaints that have not been resolved to Franchisor's satisfaction by addressing all open customer complaints;

17.2.10 Franchisee has 3 or more negative 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 by addressing all open negative online reviews;

17.2.11 Franchisee has not responded to calls according to Franchisor's requirements (including calls from Franchisor, the SLC, and customers); or

17.2.12 Franchisee fails to book more than 6% of service requests by the SLC in any given month on the basis of 'job not booked due to availability' for reasons other than Franchisee's Service Vehicle(s) and/or personnel are already committed to perform services for other College Hunks Hauling Junk® or College Hunks Moving® clients.

17.3 Events of Default with a 30-day Right to Cure

Immediately upon the occurrence of any of the following events, all of which shall constitute an Event of Default, Franchisor may, but shall not be obligated to, exercise any of the remedies provided for in Article XVIII including, but not limited to termination of this Agreement, provided that Franchisee fails to cure the Event of Default to Franchisor's satisfaction within 30 days of written notice to Franchisee:

17.3.1 Franchisee breaches or fails to perform or observe any covenant, duty or obligation contained in this Agreement, the System, or the Manual other than those Events of Default set forth in Sections 17.1 and 17.2; provided, however, that if Franchisee has commenced to diligently and expeditiously cure such failure within the 30-day period following notice of the breach or failure as determined in the sole discretion of Franchisor, such initial 30-day period shall be extended for a period of time as is commercially reasonable under the circumstances (not to exceed 90 days from the notice of breach) as long as Franchisee is diligently and expeditiously pursuing a cure;

17.3.2 Franchisee violates or fails to comply with any local, state, or federal law that in any manner relates to or impacts the provision of or ability to provide junk removal and/or moving and related services hereunder by Franchisee, its owners, or managers;

17.3.3 Franchisee commits act or omission that threatens the ability of Franchisee to comply with any local, state, or federal law that in any manner relates to or impacts the provision of or ability to provide junk removal and/or moving and related services hereunder by Franchisee, its owners, or managers;

17.3.4 Franchisee is put on notice of a potential charge or allegation that it, its owners, or its managers has or have violated or failed to comply with any local, state, or federal law that in any manner relates to or impacts the provision of or ability to provide junk removal and/or moving and related services hereunder and Franchisee fails to inform Franchisor of the existence of such threat, charge, or allegation;

17.3.5 Franchisee (or its Managing Owner): (i) registers for the Training Program or any enrichment training and fails to attend without timely cancelling; (ii) fails to register for or attend the Training Program or any required enrichment training; or (iii) fails to satisfactorily complete the Training Program or any required enrichment training;

17.3.6 Franchisee fails or refuses to adhere to the Service Vehicle roll out schedule described in Section 9.5.1; or

17.3.7 Franchisee fails, refuses, or neglects to promptly submit certificates of insurance to Franchisor as required under this Franchise Agreement.

17.4 Definition.

The actions, occurrences, and breaches described in Sections 17.1, 17.2, and 17.3 shall constitute an '**Event of Default**' under this Agreement.

17.5 No Waiver.

In no event shall any failure of Franchisor to provide notice or enforce any available remedy upon the occurrence of an Event of Default be deemed a waiver of Franchisor's right to exercise any such remedy or its right to enforce all obligations and full performance of this Agreement as described herein.

17.6 Default by Owners.

Any action or omission by any owner or shareholder, director, or officer of a corporate or limited liability company franchisee, or any partner of a franchisee conducting business as a partnership, shall be deemed an action or omission by Franchisee for purposes of determining whether Franchisee is in default pursuant to this Article XVII.

ARTICLE XVIII. TERMINATION AND REMEDIES

18.1 Remedies Upon Event of Default.

Upon the occurrence of any Event of Default, and subject to any applicable cure period, Franchisor may immediately exercise any of all of the following remedies, in addition to all other rights and remedies available to Franchisor under this Agreement or the law:

18.1.1 Terminate this Agreement;

18.1.2 Suspend Franchisee's access to the SLC, provided, however, that Franchisee shall remain responsible for all costs of participation;

18.1.3 Suspend Franchisee's access to any advertising, marketing materials, or assistance provided by Franchisor;

18.1.4 Remove Franchisee from Franchisor's website and any other advertising materials used for the System;

18.1.5 Suspend or terminate any fee reductions which Franchisor may have agreed to during the Term of this Agreement or any amendment to this Agreement;

18.1.6 Require Franchisee to undergo additional audits or inspections at Franchisee's sole expense;

18.1.7 Require Franchisee, its Managing Owner, or its Managers to participate in additional training at Franchisee's sole expense;

18.1.8 Revoke or suspend the provision of any operational support that this Agreement otherwise requires Franchisor to provide, including without limitation, information technology and network services, and the provision or supply of any services or products for which Franchisor is an approved supplier;

18.1.9 Revoke or suspend Franchisee's right to operate in any Zone for the remainder of the Term or such other time period Franchisor determines in its sole discretion, without refunding any fee paid for such rights, even if such revocation or suspension causes the population in Franchisee's Designated Territory to drop below the minimum population otherwise provided for;

18.1.10 Reduce the size of the Designated Territory, or limit Franchisee's rights within all or a portion of Franchisee's Designated Territory by, among other things, allowing other franchisees to operate in Franchisee's Designated Territory, including elimination of exclusivity;

18.1.11 If Franchisee has the right to operate both junk removal and moving lines of business, terminate Franchisee's right to operate either line of business, in Franchisor's sole discretion;

18.1.12 If the Event of Default is pursuant to Section 17.1.15, require Franchisee to pay a penalty fee equal to 100% of the job revenue received;

18.1.13 Take any action to cure a breach or default on Franchisee's behalf and require Franchisee to reimburse Franchisor for all costs and expenses (including the allocation of any internal costs) for such action, plus a 10% administrative fee;

18.1.14 Require Franchisee to have audited financial statements prepared annually during the Term;

18.1.15 Exercise Franchisor's step-in rights pursuant to Section 24.8;

18.1.16 Revoke or suspend Franchisee's right to participate in the National Accounts' Program;

18.1.17 Assess Franchisee a non-compliance fee of up to \$10,000 per violation or default; or

18.1.18 Reduce, modify, suspend, or otherwise terminate any other of Franchisee's rights under this Agreement while such default or non-compliance continues or for such other period of time that Franchisor, in its sole discretion deems appropriate, provided, however, that Franchisee shall remain responsible for all fees and obligations under this Agreement.

Unless Franchisor expressly terminates this Agreement, Franchisor's exercise of any of the foregoing remedies will not constitute an actual or constructive termination of this Agreement. During any suspension period, Franchisee must continue to pay all fees and other amounts due under, and otherwise comply with this Agreement and all related agreements. If Franchisor rescinds any suspension of Franchisee's rights, Franchisee will not be entitled to any compensation for any fees, expenses, or losses Franchisee might have incurred due to Franchisor's exercise of any suspension right provided in this Section 18.1.

18.2 Election of Remedies.

If Franchisor exercises its right not to terminate this Agreement but to implement any remedies in Section 18.1, Franchisor may at any time after the appropriate cure period has lapsed (if any) terminate this Agreement without giving Franchisee any additional cure period.

18.3 General Provisions Concerning Default and Termination.

In any proceeding in which the validity of any termination of this Agreement or Franchisor's refusal to provide its consent to renew this Agreement is contested, each party may cite to and rely upon all defaults or violations of this Agreement, not only the defaults or violations referenced in any written notice. Franchisee agrees that Franchisor has the right and authority (but not the obligation) to notify any landlord, supplier, vendor or lender associated with the Franchised Business or any of Franchisee's owners, partners, directors, or shareholders if Franchisee is in default under or Franchisor has terminated this Agreement.

18.4 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 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.

ARTICLE XIX. POST-TERM OBLIGATIONS AND RIGHTS

19.1 Discontinue Use of Proprietary Properties

In the event of termination or expiration of this Franchise Agreement, Franchisee shall immediately discontinue the use of the Proprietary Properties. 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, a College Hunks Moving® business, or a College Hunks Hauling Junk® business or any similar business. Franchisee shall not thereafter use, in any manner, or for any purpose, directly or indirectly, the Proprietary Marks or Confidential Information.

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.

19.2 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.

19.3 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 its 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.

19.4 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 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.

19.5 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.

19.6 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.

19.7 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 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).

19.7.1 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 Franchisee's portion will be reflected by reduction in the purchase price.

19.7.2 If Franchisor exercises its option to purchase the Franchised Business, the Purchase Price shall be 10% of the Purchase Price, paid at the closing of the purchase transaction by bank or certified check. 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 Franchisor payable to the order of 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 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.

19.7.3 If Franchisor exercises its option to purchase the Franchised Business, Franchisee agrees fully to cooperate in effectuating such transaction and undertakes to use its 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.

19.7.4 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 its 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.

19.8 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 Confidential Information, 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 Confidential Information. 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 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.

19.9 Assignment of Lease for Service Vehicle

At Franchisor's option, and subject to the lessor's consent, Franchisee shall assign to Franchisor any interest which Franchisee has in any lease or sublease for the Service Vehicle(s). Franchisor may exercise such option at or within 30 days after the termination or expiration 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 19.7 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 19.9, or to purchase the Service Vehicle(s) under Section 19.7, 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.

19.10 Liquidated Damages

Upon termination of this Agreement by Franchisor pursuant to Article XVIII, 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 24, being the number of months in 2 full years.

The parties 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 agree that such amount is not a penalty, but instead is a reasonable, good faith pre-estimate of Franchisor's damages caused by the early termination of the Franchise 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. This liquidated damages provision will not limit Franchisor's right to injunctive relief or other damages relating to any violations of this Agreement or the law.

19.11 Holdback for Customer Damages.

If the Franchise Agreement is terminated, Transferred, or expires without renewal, Franchisee must pay to Franchisor an amount to be held by Franchisor to cover potential customer damages (the '**Holdback Amount**'). The Holdback Amount will be determined by Franchisor based on Franchisee's customer damage history for the two years preceding the date of termination, Transfer or expiration without renewal and any current damage issues known to Franchisor. Franchisor will have the right to transfer the Holdback Amount from Franchisee's account by electronic funds transfer five days before the date of termination, Transfer or expiration without renewal. Franchisor will hold the Holdback Amount for a period of six months and may use the Holdback Amount during that period to pay damages in connection with the resolution of disputes with Franchisee's prior customers. Any portion of the Holdback Amount remaining at the end of the six-month period will be paid over to Franchisee within 14 days of the end of the six-month period.

ARTICLE XX. MODIFICATION OF SYSTEM

20.1 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 marketplace 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 its Service Vehicle at least once every 7 years, depending on the age and condition of said Service Vehicle.

20.2 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 XXI. FIRST CONTACT SALES & LOYALTY CENTER

21.1 Engagement

During the Term, Franchisor or the SLC shall provide to Franchisee the First Contact Sales & Loyalty Center Services described below.

21.2 First Contact Sales & Loyalty Center Services

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

21.2.1 The SLC shall host a dedicated telephone number, website, and an e-mail address through which all clients of Franchisor shall schedule, reschedule, cancel, and inquire about estimates and service calls. Service requests shall be distributed to 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 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 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.

21.2.2 The SLC shall receive, record, research and assist in resolving any basic client complaints and concerns. All in-depth issues will be forwarded to 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 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.

21.2.3 The SLC shall manage and orchestrate any promotional programs designated by Franchisor.

21.2.4 SLC Services shall not include legal and accounting services.

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

21.2.6 The SLC will also catalogue all non-booked leads and will identify potential commercial clients for follow-up by franchisee.

21.2.7 The Franchisor shall monitor all client service issues and requests on a daily basis to maintain quality control.

21.3 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.

21.4 Limitations

21.4.1 Liability. 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, PANDEMIC, 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.

21.4.2 Remedies. THE FRANCHISOR SHALL NOT BE LIABLE FOR UNAUTHORIZED ACCESS BY THIRD PARTIES TO THE FRANCHISEE'S TRANSMISSIONS. EXCEPT AS EXPRESSLY SET FORTH IN OR CONTEMPLATED BY THIS AGREEMENT, IN ANY INSTANCE INVOLVING PERFORMANCE OR NONPERFORMANCE BY THE FRANCHISOR

WITH RESPECT TO SLC SERVICES PROVIDED HEREUNDER, **THE FRANCHISEE'S SOLE REMEDY SHALL BE REFUND OF A PRO RATA PORTION OF THE PRICE PAID FOR SLC 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.

21.4.3 Failure of an Exclusive Remedy. THE FRANCHISOR SHALL NOT BE RESPONSIBLE FOR (1) SERVICE IMPAIRMENTS CAUSED BY ACTS WITHIN THE CONTROL OF THE FRANCHISEE, ITS EMPLOYEES, AGENTS, SUBCONTRACTORS, SUPPLIERS OR LICENSEES, (2) INABILITY OF THE FRANCHISEE TO ACCESS OR INTERACT WITH ANY OTHER SERVICE PROVIDERS OR USERS, OR (3) SERVICES PROVIDED BY OTHER SERVICE PROVIDERS.

21.5 Information

All information provided to the Company or gathered from or about 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 Franchisee as confidential. To the extent that Franchisee shall wish that any information or materials be treated as confidential by the Company, Franchisee must label such information or materials in writing as confidential or, if such materials are disclosed orally by 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 XXII. MISCELLANEOUS

22.1 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 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, 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; otherwise upon Franchisee's receipt of written notice of non-enforcement thereof from 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 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 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 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 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.

22.2 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 Franchisor shall be without prejudice to any other rights Franchisor may have, will be subject to continuing review by Franchisor and may be revoked, in 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 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 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 Franchisor of any payments due from Franchisee after any breach of this Agreement.

Neither 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; (5) pandemics; or (6) 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.

22.3 Rights of Parties are Cumulative

The rights of Franchisor and Franchisee hereunder are cumulative and no exercises or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder or which Franchisor or Franchisee is entitled by law to enforce.

22.4 Costs and Attorneys' Fees

If (i) Franchisor or Franchisee commences any action or proceeding, whether by judicial or quasi-judicial action or otherwise, for the purpose of enforcing or preventing the breach of any provision hereof, or for a declaration of the party's rights or obligations hereunder, and Franchisor prevails wholly or partially on such efforts, or (ii) any amounts due from Franchisee to Franchisor are, at any time, collected by or through an attorney at law or collection agency, Franchisee shall be liable to, and promptly reimburse, Franchisor for all of costs and expenses that Franchisor incurred in connection therewith, including, but not limited to, court costs and reasonable attorney's fees.

22.5 Mediation

During the Term, 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 proceeding, submit the dispute for non-binding mediation 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 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, temporary or preliminary injunctive relief, and any other equitable 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 litigation subject to the terms and conditions hereof.

22.6 Litigation

22.6.1 Jurisdiction. Franchisee consents and agrees that the following courts shall have personal jurisdiction over Franchisee in all lawsuits relating to or arising out of this Agreement and related agreements and hereby waives any defense Franchisee may have of lack of personal jurisdiction in any such lawsuit filed in these courts: (A) all courts included within the state court system of the State of Florida; and (B) all the United States District Courts sitting within the State of Florida.

22.6.2 Venue. Franchisee consents and agrees that venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Agreement and related agreements and hereby waives any defense Franchisee may have of improper venue in any such lawsuits filed in these courts: (i) the Thirteenth Judicial Circuit Court in Hillsborough County, Florida; and (ii) the United States District Court for the Middle District of Florida, Tampa Division. In the event any of these courts are abolished, Franchisee agrees that venue shall be proper in the state or federal court in Florida which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts which are not so abolished. All lawsuits filed by Franchisee against Franchisor relating to or arising out of this Agreement and related agreements shall be required to be filed in one of these courts; provided, however, that if none of these courts has subject-matter jurisdiction over such a lawsuit, such lawsuit may be filed in any court in Florida having such subject-matter jurisdiction if *in personam* jurisdiction and venue in such court are otherwise proper. Lawsuits filed by Franchisor against Franchisee may be filed in any of the courts named in this Section 22.6.2 or in any court in which jurisdiction and venue are otherwise proper.

22.6.3 Service of Process. In all lawsuits relating to or arising out of the Agreement and related agreements, Franchisee consents and agrees that Franchisee may be served with process outside the State of Florida in the same manner as service may be made within the State of Florida by any person authorized to make service by the laws of the state, territory, possession, or country in which service is made or by any duly qualified attorney in such jurisdiction, and Franchisee hereby waives any defense Franchisee may have of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

22.6.4 Waiver. Franchisee agrees that Franchisor may apply for such injunctive relief, without bond and without proving actual damages, but upon due notice, in addition to such further and other relief as may be available at equity or law, and Franchisee's sole remedy, in the event of the entry of such injunction, shall be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

22.6.5 Effect. FRANCHISEE AGREES THAT THIS SECTION 22.6 APPLIES TO ALL AGREEMENTS BETWEEN FRANCHISEE (OR ITS AFFILIATES) AND FRANCHISOR ENTERED INTO PRIOR TO THE EFFECTIVE DATE AND SUPERSEDES ANY PROVISION REGARDING JURISDICTION AND VENUE IN ANY SUCH PRIOR AGREEMENT.

22.7 Compulsory Counterclaims

Franchisee and Franchisor agree that, in any proceeding between the Parties, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by the United States Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred.

22.8 Governing Law

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) 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.

22.9 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 authorized by applicable federal statute. The parties agree that, in the event of a Dispute, the party making a claim shall be limited to recovery of any actual damages it sustains.

22.10 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.

22.11 Franchisee May Not Withhold Payments

Franchisee agrees that he/she will not, on grounds of the alleged nonperformance by 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 Franchisor for purchases by Franchisee or any other amounts due to Franchisor.

22.12 Binding Effect

This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns and successors in interest. Subject to Franchisor's right to modify the Manual, this Agreement shall not be modified except by written agreement signed by Franchisee and Franchisor.

22.13 Limitations of Claims

Any and all claims, except claims for monies due Franchisor, arising out of or relating to this Agreement or the relationship among the parties shall be barred unless an action or legal proceeding is commenced within one year from the date Franchisee or Franchisor knew or should have known of the facts giving rise to such claims.

22.14 Private Disputes

Any dispute and any litigation or legal proceedings will be conducted and resolved on an individual basis only and not as part of a consolidated, common, or class action. 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.

22.15 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 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 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 or herself any legal or equitable interest, in the revenue, profits, rights or assets of Franchisee and/or the Franchised Business.

Except where this Agreement expressly obligates 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 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.

22.16 Withholding Consent

In no event will Franchisee make any claim, whether directly, by way of setoff, counterclaim, 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 a mediation or litigation as described in this Agreement and, if mediation fails to resolve such matter, for a court of competent jurisdiction to order Franchisor to grant such consent.

ARTICLE XXIII. FRANCHISOR'S BUY-OUT OPTION

23.1 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.

23.1.1 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.

23.1.2 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.

23.1.3 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.

23.1.4 Entity Value: Entity Value shall be equal to 5 times Normalized EBITDA, as defined below.

23.1.5 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.

23.1.6 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.

23.1.7 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.

23.1.8 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.

23.1.9 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.

23.1.10 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.

23.2 Applicability of Other Provisions

If 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 XXIV. GENERAL PROVISIONS

24.1 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. If intended for Franchisor, the notice shall be addressed to it at 4411 West Tampa Bay Blvd, Tampa, FL 33614. 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.

24.2 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.

24.3 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.

24.4 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.

24.5 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.

24.6 Survival of Terms

Each provision of this Article XXIV and those provisions hereinabove provided relating to covenants against post-termination/expiration use of the Proprietary Properties 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.

24.7 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.

24.8 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 its 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.

24.9 Referral Fee

Franchisor will pay to Franchisee the sum of \$10,000 (**'Referral Fee'**) if: (a) Franchisee refers a candidate to Franchisor for consideration as a franchisee in the College Hunks Hauling Junk® and College Hunks Moving® system, (b) Franchisor approves the candidate as a Franchisee in the College Hunks Hauling Junk® and College Hunks Moving® system, (c) the candidate signs a Franchise Agreement, (d) the candidate pays the full Initial Franchise Fee, and (e) candidate commences operation of the Franchised Business without committing any material defaults. The Referral Fee will be paid by Franchisor to Franchisee within ninety days of the candidate's Commencement of Business.

ARTICLE XXV. SECURITY INTEREST

25.1 Collateral

In consideration of the benefits arising under the Franchise Agreement, 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.'**

25.2 Indebtedness Secured

25.2.1 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.

25.2.2 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.

25.2.3 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 25.2.2 above.

25.3 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.

25.4 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.

25.5 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.

25.6 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 XXVI. SUBMISSION OF AGREEMENT

The submission of this Franchise Agreement to Franchisee does not itself constitute an offer to sell a franchise. This Franchise Agreement shall become effective only upon the execution thereof by Franchisor and Franchisee.

I HAVE READ THE FOREGOING AGREEMENT AND I HEREBY AGREE TO AND
ACCEPT EACH AND ALL OF THE PROVISIONS.

FRANCHISEE

By: _____

Name: _____

Title: _____

Dated: _____

CHHJ FRANCHISING L.L.C.

By: _____

Name: _____

Title: _____

Dated: _____

EXHIBIT A

TO CHHJ FRANCHISING L.L.C. FRANCHISE AGREEMENT

LOCATION OF FRANCHISE

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 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 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 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 Franchisor (collectively the ‘**System**’). In order to protect Franchisor’s interest in the System and the Proprietary Marks, Franchisor may 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.

3. 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.

4. **Power of Attorney:** Franchisee agrees and acknowledges that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Telephone Numbers and Listings and the URLs, and Franchisee irrevocably appoints Franchisor as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, to direct the Telephone Company and the ISP to assign same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee shall immediately notify the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the URLs to Franchisor. If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Telephone Numbers and Listings and the URLs to Franchisor, Franchisor shall direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Telephone Company and the ISP may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Telephone Numbers and Listings and the URLs upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Telephone Company's and ISP's receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Telephone Company or the ISP requires that the parties execute the Telephone Company's or the ISP's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

5. **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.

6. **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.

7. **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.

8. **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.

9. **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.

10. **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 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. **Waiver.** 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. **Rights of Franchisor.** Each of you agree that Franchisor shall have the full right, in our sole discretion, and without any notice to or consent from you (unless otherwise noted below), from time to time, and at any time, and without affecting, impairing or discharging in whole or in part, your liability hereunder:

- (a) to make any change, amendment or modification whatsoever in any of the terms and conditions of the Agreement with the consent of the Business Entity;
- (b) to extend in whole or in part by renewal or otherwise, and on one or any number of occasions, the term of the Agreement with the consent of the Business Entity;
- (c) to settle, compromise, release, surrender, modify or impair, and to enforce and exercise or fail or refuse to enforce or exercise any claims, rights, or remedies of any kind or nature against the Business Entity or any other party or the Business Entity's debts or transactions, or any collateral or security held by Franchisor;

(d) to enter into any alteration or modification of the Agreement with the consent of the Business Entity regardless of whether said alteration or modification would increase the extent of your obligations hereunder, or make performance by the Business Entity or you more difficult; and

(e) to take other guarantees, collateral or security with respect to your obligations hereunder.

4. **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; and (c) this Guaranty will continue and is irrevocable during the term of the Agreement and, if required by the Agreement, after its termination or expiration.

5. **Scope of Liability.** This Guaranty and your liability hereunder shall remain and continue in full force and effect notwithstanding:

(a) the non-liability of the Business Entity for any reason whatsoever of payment or performance of the Guaranteed Obligations or any part thereof;

(b) the release of the Business Entity from the observance of any of the covenants, terms, or conditions contained in the Agreements by operation of law;

(c) any extension of time, credit or other indulgence which 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;

(d) any defenses or rights of set off or counterclaims which the Business Entity may assert; and

(e) any failure of Franchisor to inform you of any facts Franchisor may now or hereafter know about the Business Entity, the Agreement, or the franchise contemplated in connection therewith, it being understood and agreed that Franchisor has no duty to so inform; it being the intention that you shall remain liable hereunder until the guaranteed obligations of the Business Entity shall have been fully paid, performed, and observed by the Business Entity.

6. **Effect of Delay.** No failure, omission or delay on the part of Franchisor in exercising any rights hereunder or in taking any action to collect or enforce performance of your obligations hereunder or in enforcing performance of any covenant, term, or condition to be performed under the Agreement, either against the Business Entity or any other party, shall operate as a waiver of any such right or in any manner prejudice the rights of Franchisor against you.

7. **Direct Obligations.** Each of you hereby covenant and agree to comply with and abide by the restrictive covenants and non-disclosure provisions contained in ARTICLE XIV and ARTICLE XV of the Agreement to the same extent as and for the same period of time as Franchisee is required to comply with and abide by such covenants and provisions. These obligations shall survive any expiration or termination of this Guaranty or the Agreement. Each of you acknowledge that it is owner or affiliate of the Business Entity and is serving in a managerial capacity in the operation of the Business Entity.

8. **Successors and Assigns.** This Guaranty shall bind and inure to the benefit of the parties and their respective heirs, administrators, executors, and successors, shall be construed equally between the parties.

9. **Governing Law.** This Guaranty, the Agreement, and related agreements are accepted by Franchisor in the State of Florida and shall be governed by, construed in accordance with and enforced in accordance with the laws thereof, which laws shall prevail in the event of any conflict.

10. **Enforcement.** The parties agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner. Therefore, the parties hereby agree as follows:

a) **Jurisdiction.** The following courts shall have personal jurisdiction over each of you in all lawsuits relating to or arising out of this Guaranty and the Agreement, and each of you hereby waives any defense you may have of lack of personal jurisdiction in any such lawsuit filed in these courts: (i) all courts included within the state court system of the State of Florida; and (ii) all the United States District Courts sitting within the State of Florida.

b) **Venue.** Venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Guaranty and the Agreement and each of you hereby waives any defense it may have of improper venue in any such lawsuits filed in these courts: (i) the Thirteenth Judicial Circuit Court in Hillsborough County, Florida; and (ii) the United States District Court for the Middle District of Florida, Tampa Division. In the event any of these courts are abolished, each of you agrees that venue shall be proper in the state or federal court in Florida which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts which are not so abolished. All lawsuits filed by any of you against Franchisor relating to or arising out of this Guaranty, the Agreement, and related agreements shall be required to be filed in one of these courts; provided, however, that if none of these courts has subject matter jurisdiction over such a lawsuit such lawsuit may be filed in any court having such subject-matter jurisdiction in the State of Florida if *in personam* jurisdiction and venue in such court are otherwise proper. Lawsuits filed by Franchisor against any of you may be filed in any of the courts named in this subparagraph (b) or in any court in which jurisdiction and venue are otherwise proper.

c) **Service of Process.** In all lawsuits relating to or arising out of this Guaranty and the Agreement, each of you consents and agrees that you may be served with process outside the State of Florida in the same manner as service may be made within the State of Florida by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction, and each of you hereby waives any defense you may have of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

d) You shall pay all reasonable attorneys' fees and associated costs incurred by Franchisor in the enforcement of this Guaranty.

11. **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.

12. **Modification.** No provision hereof shall be modified or limited except by written agreement signed by each of you and Franchisor.

13. **Severability.** In case any one or more provisions of this Guaranty shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

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:_____

EXHIBIT D

TO CHHJ FRANCHISING L.L.C. FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS)

_____ (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 Franchisee of the College Hunks Hauling Junk® Business under a Franchise Agreement executed on the date set forth below, between Franchisee and Franchisor, granting Franchisee 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 Franchisee set forth in the Franchise Agreement and they jointly and severally personally guarantee all of 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 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 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 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

ACUTE FS PARTICIPATION AGREEMENT

This ACUTE FS Participation Agreement (the ‘**Agreement**’) is between **NOR, L.L.C.**, a Florida limited liability company with its principal office at 4411 West Tampa Bay Boulevard, Tampa, Florida 33614 (‘**Operator**’), and _____ (‘**Franchisee**’).

WHEREAS, CHHJ Franchising, L.L.C., (‘**Franchisor**’) and Franchisee entered into a COLLEGE HUNKS HAULING JUNK® AND/OR A COLLEGE HUNKS MOVING® Franchise Agreement, dated _____, 20____, (‘**Franchise Agreement**’); and

WHEREAS, in accordance with the Franchise Agreement, Franchisee is required to use ACUTE FS during the term of the Franchise Agreement.

NOW THEREFORE, upon Franchisee’s request and by mutual agreement of Operator and Franchisee for consideration described in this Agreement and acknowledged as adequate and satisfactory by each of them for the services to be rendered hereunder, the parties agree as follows:

1. Services Provided. For a fee payable to Operator as described below, Operator will provide Franchisee with the following services (collectively, the ‘**Services**’) relating to Franchisee’s bookkeeping:

Month End/Periodic

Services Frequency

Reconcile/Record payroll	Bi-Weekly
Reconcile bank statements	Monthly
Reconcile credit card statement	Monthly
Reconcile loan payments	Monthly
Set up amortization schedules	Periodically
Provide Asset Tracking	Monthly
Accounts Payable Recording	Periodically
Accounts Receivable Recording (if applicable)	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
Deliver Financial Package	Monthly
Review Cash Forecasting Tool (if applicable)	Weekly
Provide ‘Admin’ Month-End Checklist	Update as needed

2. **Franchisee Cooperation.** In conjunction with the Operator's services, Franchisee agrees and acknowledges that Franchisee shall provide full and complete cooperation with Operator in the provision of the Services, including, without limitation: (a) promptly responding to any Operator inquiries, (b) providing Operator with access to Franchisee's credit card processor, (c) providing Operator with access to Franchisee's Computer System as defined in the Franchise Agreement (the '**Computer System**'), and (d) timely providing complete and accurate data to be processed in connection with the Services (the '**Data**'), in the form specified by the Operator. In no event shall Operator be liable for any failures, errors, or omissions that may result from Franchisee's failure to comply with this Section 2.

3. **Franchisee's Recording, Communicating and Data Entry Obligations.**

3.1. **Provision of Data:** Franchisee must at all times provide all Data requested or required by Operator at the time and in the format required by Operator in writing, including, without limitation, the following:

- (A) No later than the 20th and 5th each month, deposit logs for each deposit made during the month;
- (B) By the 5th day of the month following the event:
 - (1) All bank statements
 - (2) All credit card statements
 - (3) Loan documents, leases, and related information when applicable
 - (4) Bi-Weekly payroll reports (Operator will determine the appropriate report)
 - (5) Payroll break-down: overlapping months
 - (6) Monthly bonuses, commissions or, other amounts to be paid
 - (7) Non-regular pay items such as, expense reimbursements, deductions, and advances
 - (8) As soon as possible after their receipt, all other bills, statements, and receipts, unless directed otherwise by Operator in its sole discretion.

3.2. **Delivery of Data.** Franchisee shall be solely responsible for ensuring that the delivery of the Data to Operator is timely and complete. Franchisee shall accept delivery of the completed Services at the time and intervals agreed upon. Franchisee may request in writing that Operator use alternative methods of delivery for some or all of the completed Services. If Operator chooses, in its sole discretion, to comply with any such request, Operator shall not be responsible for any delays in delivery or for any loss or damage of materials as a result.

4. **Fees for Services.** Operator will provide the Services to Franchisee for a regular monthly fee set forth in Exhibit A. Operator may, in its sole discretion, choose to accommodate Franchisee's requests for provision of services in addition to those described in Section 1; provided, however, that Operator shall charge Franchisee a commercially reasonable hourly rate for such additional services, based upon Operator's sole determination of the complexity of the services to be provided. Operator reserves the right to modify the fees charged under this Agreement at any time, upon 60 days written notice to Franchisee.

5. **Payment for Services.** Operator shall invoice Franchisee monthly for the Services. Within 10 days of the receipt of the invoice, Franchisee shall establish an arrangement for electronic funds transfer or deposit of payment of such invoice. Further, Franchisee shall execute any forms necessary to allow such Operator to directly debit such payments from Operator's accounts, including without limitation Operator's current form of 'Authorization Agreement for Prearranged Payments (Direct Debits),' together with any other forms required by Operator's or Franchisee's bank. Franchisee expressly acknowledges and agrees that Franchisee's obligations for the full and timely payment of any invoice issued by Operator hereunder shall be absolute, unconditional, fully earned, and due upon Franchisee's use of the Services. Franchisee must pay all taxes that may be assessed on Operator's delivery of the Services to Franchisee, including without limitation, service taxes, sales and/or use and excise taxes.

6. **Performance of the Services.** Operator will perform the Services in accordance with its established policies and procedures as periodically developed. Operator will have full responsibility and commensurate authority to undertake all reasonable activities necessary to allow it to perform the Services for Franchisee. Accordingly, Franchisee must make all of its financial information available to Operator through the Computer System. Operator will have full, complete, and unrestricted access to the Computer System through Franchisor's network. Operator will utilize such personnel as they consider appropriate to fulfill our responsibilities under this Agreement.

7. **Limitation of Liability.** Operator 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 the Services described in this Agreement. In the event of any such act or omission, Franchisee's sole remedy will be Operator's re-performance of such allegedly deficient services or, at Franchisee's option, issuance of a credit for the amount Franchisee paid for the allegedly deficient services.

7.2. Operator is not responsible for any loss or damage caused as a result of Franchisee's use of any of the Services or any information contained within them.

7.3. UNDER NO CIRCUMSTANCES WILL OPERATOR BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES, HOWEVER ARISING, EVEN IF OPERATOR HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7.4. IN NO EVENT WILL OPERATOR'S LIABILITY FOR BREACH OF WARRANTY EXCEED THE AGGREGATE OF ALL AMOUNTS PAID TO OPERATOR BY FRANCHISEE UNDER THIS AGREEMENT

8. **Warranties.**

8.1. **Reasonable Care.** Operator represents and warrants to Franchisee that it will use reasonable care to ensure the accuracy of the information to be provided to Franchisee in its performance of the Services pursuant to this Agreement. Franchisee understands and agrees that Operator relies solely on the information that Franchisee provides it for accuracy. To the extent any of such information is inaccurate, missing, or improperly completed, Operator will not be responsible for any effect such incomplete or false information has on the Services. Operator will use due care in performing the services required hereunder but shall not be responsible for errors not directly attributable to its equipment or operators.

8.2. **Indemnification.** Franchisee agrees to hold harmless Operator 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 Franchisee. Operator 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 Operator.

8.3. **Limitations and Exclusions.** Operator makes no other warranty whatsoever, whether express or implied, other than described in Section 8.1 above, including without limitation any implied warranties of merchantability and fitness for a particular purpose, or any warranty as to the comprehensiveness, completeness, accuracy, or adequacy of the Services or any of the information Operator provides as a result of performing the Services.

9. **Term of Agreement.** This Agreement shall run for the entirety of the term of the Franchise Agreement. If the Franchise Agreement expires or terminates for any reason, this Agreement will expire or terminate simultaneously with the expiration or termination of the Franchise Agreement.

10. **Default and Termination.**

10.1. **Default.** Franchisee shall be in default of this Agreement without further notice by Operator if Franchisee either:

- (A) Fails to pay any monies due under this Agreement within 10 days of the issuance of any invoice hereunder;
- (B) Franchisee denies Operator access to Franchisee's Computer System; or,
- (C) Franchisee fails to comply with any other provision of this Agreement.

10.2. **Termination or other Remedies.** In the event of any default by Franchisee, hereunder, Operator shall be entitled, immediately upon delivery of notice to Franchisee, to either: (a) terminate this Agreement; or (b) suspend delivery of any of the Services to Franchisee until such time that Operator, in its sole discretion, deems reasonable.

11. **Effect of Delay.** No failure, omission, or delay on the part of Operator in exercising any rights hereunder or in taking any action to collect or enforce performance of Franchisee's obligations hereunder or in enforcing performance of any covenant, term or condition to be performed under this Agreement, shall operate as a waiver of any such right or in any manner prejudice the rights of the Operator.

12. **Acknowledgements of Franchisee.** Franchisee acknowledges and agrees that the Services provided by Operator under this Agreement 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. Operator disclaims any representations or warranties that the Services will satisfy or ensure compliance with any legal obligations, laws, or regulations. This disclaimer applies to, but is 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 Operator for compliance with applicable laws.

13. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the parties and their respective heirs, administrators, executors, and successors, shall be construed equally between the parties.

14. **Governing Law.** This Agreement is accepted by Operator in the State of Florida and shall be governed by, construed in accordance with and enforced in accordance with the laws thereof, which laws shall prevail in the event of any conflict.

15. Enforcement. The parties agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner. Therefore, the parties hereby agree as follows:

15.1. **Jurisdiction.** The following courts shall have personal jurisdiction over Franchisee in all lawsuits relating to or arising out of this Agreement, and Franchisee hereby waives any defense Franchisee may have of lack of personal jurisdiction in any such lawsuit filed in these courts: (i) all courts included within the state court system of the State of Florida; and (ii) all the United States District Courts sitting within the State of Florida.

15.2. **Venue.** Venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Agreement and the Franchisee hereby waives any defense it may have of improper venue in any such lawsuits filed in these courts: (i) the Thirteenth Judicial Circuit Court in Hillsborough County, Florida; and (ii) the United States District Court for the Middle District of Florida, Tampa Division. In the event any of these courts are abolished, Franchisee agrees that venue shall be proper in the state or federal court in Florida which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts which are not so abolished. All lawsuits filed by Franchisee against Operator relating to or arising out of this Agreement shall be required to be filed in one of these courts; provided, however, that if none of these courts has subject-matter jurisdiction over such a lawsuit such lawsuit may be filed in any court having such subject-matter jurisdiction in the State of Florida if *in personam* jurisdiction and venue in such court are otherwise proper. Lawsuits filed by Operator against Franchisee may be filed in any of the courts named in this Section 15.2 or in any court in which jurisdiction and venue are otherwise proper.

15.3. **Service of Process.** In all lawsuits relating to or arising out of this Agreement and the Agreement, Franchisee consents and agrees that Franchisee may be served with process outside the State of Florida in the same manner as service may be made within the State of Florida by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction, and Franchisee hereby waives any defense Franchisee may have of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

16. Enforcement Costs. If the Operator is required to enforce this Agreement in any judicial proceeding or any appeals, Franchisee must reimburse the Operator for its enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', and expert witness fees, costs of investigation and proof of facts, court costs, 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 Agreement.

17. Effectiveness. Your obligations under this Agreement are effective on the Effective Date of the Franchise Agreement, regardless of the actual date of signature. Terms not otherwise defined in this Agreement have the meanings as defined in the Franchise Agreement.

18. Modification. No provision hereof shall be modified or limited except by written agreement signed by each of Franchisee and Operator.

19. Severability. In case any one or more provisions of this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

This Agreement is signed and dated this _____ day of _____, 20__.

OPERATOR:

NOR, LLC
a Florida limited liability company

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A to

ACUTE FS PARTICIPATION AGREEMENT

OPERATOR FEE SCHEDULE

Revenue Size Monthly	Basic Service (No A/R detail, Cash to Accrual) handled 100% in house	Premium Service (Detailed A/R) handled by Indevia Accounting (excludes add ons)	Premium Service (Detailed A/R) handled 100% in house (excludes add ons)
0 – 150,000	\$350 monthly	\$550 monthly	\$750 monthly
150,001 & up	\$500 monthly	\$550 monthly	\$900 monthly

EXHIBIT H

TO CHHJ FRANCHISING L.L.C. FRANCHISE AGREEMENT

NOR LLC PAYROLL SERVICE AGREEMENT

This Service Agreement ('**Agreement**') is made as of the _____ day of _____, 20__, by and between NOR LLC ('**NOR**'), and _____ ('**Client**').

WHEREAS, NOR has engaged a third-party payroll processing vendor ('**Third Party**') to provide services, including, but not limited to Payroll Services, Payroll Tax Services, Paid Time Off (PTO) Tracking, Direct Deposit, Electronic On-Boarding, and Time and Attendance (the '**Services**'), at a discounted rate to Client.

WHEREAS, NOR desires to act as an intermediary between Third Party and Client so that Client may obtain the benefit of the discounted services provided by Third Party.

NOW THEREFORE, in consideration of the premises and the mutual promises contained herein, NOR and Client agree as follows:

- A. SCOPE OF AGREEMENT; RELATIONSHIP OF PARTIES.** This Agreement sets for certain rights and obligations of NOR and Client, and the terms of this Agreement shall apply to any assignee or successor of NOR and/or Client. NOR is not an agent, employer, or employee of Client, and the employees of Client are not entitled to any of the benefits of employment granted by NOR to its own employees. It is Client's sole responsibility and duty to ensure compliance with all applicable laws and regulations, and NOR's and Third Party's provision of services under this Agreement does not relieve Client of this obligation. It is understood that this Agreement in no way creates or establishes a joint venture or joint employer relationship between NOR and Client and the Parties have no intent or desire to enter such a relationship. For the sake of clarity, this Agreement does not give NOR the power or authority or reserve for NOR the power or authority: (i) to hire, fire, or otherwise discipline Client's employees; (ii) to supervise or control the Client's employee's work schedule; (iii) to determine the Client's employees' rate of pay or method of payment; or (iv) to maintain the Client's employees' employment records on Client's behalf. This Agreement is limited to payroll processing and related administration. This Agreement does not give NOR any power or authority over how or when a Client's employees' work is performed. Human Resources assistance is available to Client, but Client must contract with Third Party directly for those services.
- B. SERVICES.** Client hereby engages NOR and NOR accepts the engagement by Client to facilitate the Services on the terms set forth in this Agreement. For NOR's and Third Party's services under this Agreement, Client shall pay NOR the fees set forth in Section C below. The Services are offered through Third Party under a license agreement for the use of the iSolved® Human Capital Management (HCM) system. Franchisee agrees to make all information necessary to perform the Services available to Nor and Third Party.
- C. PAYMENT TERMS.** The price and payment terms for the Services are provided below. NOR may change prices and other terms in the Agreement upon thirty (30) days written notice to Client. All payments are due and payable by automatic payment from Client's designated bank account. NOR or Third Party may charge any of Client's deposit accounts for any payment not received when due.

# of Employees	Price (per month)
1-10	\$299
11-25	\$599
26-50	\$899
51-75	\$1,299
76-100	\$1,699
101+	\$2,299

- D. CLIENT OBLIGATIONS.** Client shall cooperate with NOR and Third Party in connection with the performance of the Services. Client shall execute and deliver to NOR or Third Party all forms necessary to process Client's payroll. Client shall maintain a sufficient balance in the payroll source account to allow Third Party to make all payments required under the terms of this Agreement, including without limitation, ACH direct deposit payments and federal and state tax payments, as applicable. By signing this Agreement, the undersigned personally guarantees any and all obligations of Client to NOR, including without limitation the obligation to pay to NOR or Third Party all payroll funds, related taxes, services fees and/or reimbursement for payroll funds. If Client fails to maintain a sufficient balance in the payroll source account to cover all required payments, then, in addition to all other remedies available to NOR, Client shall pay NOR an insufficient funds fee in an amount equal to \$150 for the first occurrence and \$200 for each occurrence thereafter. A \$50 per day fee will be applied to any balance not remitted immediately upon notification of insufficient funds. Client understands and agrees these fees are meant to offset fees that will be charged to NOR by Third Party due to Client's insufficient funds. NOR may terminate this Agreement if Client fails to maintain sufficient funds in the payroll source account to allow Third Party to make all required payments. **Client acknowledges and agrees that Client is solely responsible for the accuracy of all information provided to NOR and Third Party for payroll processing and tax reporting. NOR or Third Party has no obligation to inspect or verify the information sent by Client.** Client must promptly report to NOR and Third Party any changes in amounts paid to employees or cancellations of payroll checks. Client must pay NOR a fee, to be determined based on the amount of work involved, for any changes by Client that requires re-filing or amending tax returns by Third Party. Client understands that this fee is a 'pass through' to Third Party.
- E. MAINTENANCE; CORRECTIONS; CHANGES.** Third Party shall make normal maintenance and program corrections on a routine basis at no additional charge. Third Party may, in its sole and absolute discretion, make changes or additions to Third Party's payroll system to better serve Client. Any process changes made for the benefit of the Client may incur implementation charges and/or increased monthly operating charges.
- F. LIMITATION OF LIABILITY.** NOR shall be responsible only for performing the services expressly provided for in this Agreement and shall be liable only for NOR's and Third Party's willful misconduct in performing those services. NOR shall not be responsible for Client's acts or omissions including, without limitation, the amount, accuracy, the timeliness of transmittal, or authorization of any entry received from Client. Client agrees to indemnify NOR against any loss, liability, damages, costs, or expenses (including reasonable attorney's fees and costs) resulting from or arising out of any claim by any person that NOR or Third Party is responsible for any act of omission of Client. NOR shall be liable only for actual damages due to claims arising solely from NOR's obligations to Client with respect to services performed pursuant to this Agreement. NOR shall not be liable for consequential, special, incidental, punitive, or indirect loss or damage. NOR

shall not be liable for any damages to Client arising from any decision by Third Party to refrain from issuing checks in connection with Client's payroll because of reasons related to Client's creditworthiness or because Client has failed to provide funds necessary to cover Client's payroll and all applicable tax payments or for any consequential, special, incidental, punitive, or indirect loss or damage which Client may incur or suffer in connection with this Agreement, whether or not the likelihood of such damages was known or contemplated by NOR and regardless of the legal or equitable theory of liability which Client may assert, including without limitation loss or damages from subsequent wrongful dishonor resulting from any financial institution's acts or omissions serving as Originating Depository Financial Institution ('**ODFI**') under the Automated Clearing House ('**ACH**') network. Without limiting the foregoing provisions, NOR and Third Party shall be excused from failing to act or any delay in acting if such failure or delay is caused by legal constraint, terrorist activity, interruption of transmission or communication facilities, equipment failure, war, emergency conditions or other circumstances beyond NOR's control. Subject to the foregoing limitations, NOR's liability for loss of interest resulting from its or Third Party's error or delay shall be calculated using a rate equal to the average Federal Funds rate at the Federal Reserve Bank of New York for the period involved. NOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, OF ITS SERVICES IN CONNECTION WITH THE AGREEMENT AND DISCLAIMS ANY WARRANTIES OF FITNESS FOR THIRD PARTY SENDER'S PARTICULAR PURPOSES OR OF MERCHANTABILITY OR OTHER WARRANTIES OF THE UNIFORM COMMERCIAL CODE.

- G. FORCE MAJEURE.** NOR shall not be deemed in default of this Agreement, nor held responsible for any cessation, interruption or delay in the performance of its obligations to provide such services hereunder due to causes beyond its reasonable control, including, but not limited to, natural disaster, act of God, pandemic, labor controversy, civil disturbance, disruption of the public markets, terrorism, war or armed conflict, or the inability to obtain sufficient materials or services required in the conduct of its business, including internet access, or any change in or the adoption of any law, judgement or decree.
- H. ACCESS TO HOSTED SOFTWARE SERVICE.** Third Party licenses the iSolved software from Infinisource. Client acknowledges that Third Party is providing access to the Hosted Service iSolved. Client agrees to the following terms regarding the use of the Hosted Service iSolved: (i) access and use of the Hosted Service is restricted to machine-readable, executable, object-code form only; (ii) Client is prohibited from use of the Hosted Service by Client or any User in any time-sharing or service bureau arrangement; (iii) sublicensing or any other transfer, assignment or conveyance of the rights of access to Hosted Service is prohibited; (iv) Client is prohibited from causing or permitting the reverse engineering, disassembly or decompilation of the Hosted Service; (v) title to the Hosted Service or any Infinisource proprietary rights is not passed to Client or any User; (vi) Infinisource is not a third party beneficiary of NOR's or Third Party's rights under this access agreement with respect to Client's use of and/or rights related to, the Hosted Service; (vii) NOR or Third Party is not a representative or agent of Infinisource, has no legal authority to act on behalf of or bind Infinisource to any agreement and the terms of this Agreement do not create any legal or binding obligations between Infinisource and Client; (viii) Client hereby disclaims any and all warranties, liabilities or claims against Infinisource and irrevocably releases from any and all liabilities Infinisource and its Representatives for any and all damages, whether direct or indirect, incidental or consequential, arising from the Service provided by NOR or Third Party, the Client or User's access and use of the Hosted Service or any Infinisource products.
- I. VERIFICATION OF DATA/ERROR RESOLUTION.** Customer must inform NOR and Third Party of any errors in Client's payroll within three (3) days of receiving any report or statement from NOR or Third Party containing an error. By submitting each payroll, Client agrees it has (a)

approved all payroll information; and (b) waived and released any claim against NOR and Third Party arising out of any errors in the payroll information that it has not itself corrected or has not requested that NOR or Third Party correct. Requests or corrections of Client errors will be subject to additional charges.

J. TERMINATION. Either party may terminate this Agreement by providing thirty (30) days written notice to the other party of that party's intent to do so.

K. ADDITIONAL TERMS

- a. Florida Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. Customer consents to the jurisdiction of state and federal courts in Florida. NOR and Client each waive any right to trial by jury and consent that any legal proceeding be tried to the court without a jury.
- b. Waiver.** The waiver by either party of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach of the same or any other provision of this Agreement.
- c. Captions.** The captions appearing at the beginning of each paragraph of this Agreement are for convenience only and are not part of this Agreement, nor do they in any way limit or amplify the terms and provisions of this Agreement
- d. Assignment.** This Agreement shall be binding on and inure to the benefit of each of the parties and their respective, successors and assigns. Customers may not assign this Agreement without NOR's prior written consent.
- e. Severability.** If any term or provision of this Agreement is held to be unenforceable, it shall not affect the enforceability of any other provision of this Agreement, which will be enforced to the fullest extent permitted by law.
- f. Entire Agreement.** This Agreement constitutes the complete and entire Agreement of the parties with respect to the subject matter addressed, supersedes all previous negotiations, agreements, representations, and warranties, and may be modified only in writing signed by both Parties.
- g. Compliance with Applicable Laws.** Each Party to this Agreement shall comply with all applicable provisions of Federal and State laws. If any provision of this Agreement conflicts with the federal, state, or municipal law, regulation or the like, or any applicable judicial decision, then such provision shall continue in full force and effect only to the extent permitted by law. If any provision of this Agreement is held inoperative, the remaining provisions shall remain in full force an effect.

Intending to be bound, the parties to this Agreement now sign and deliver this Agreement.

Accepted and agreed this ____ day of _____, 20__.

OPERATOR:

FRANCHISEE:

NOR, LLC
a Florida limited liability company

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT I

TO CHHJ FRANCHISING L.L.C. FRANCHISE AGREEMENT

CAPTIVE INSURANCE PROGRAM ADDENDUM

THIS ADDENDUM dated this ____ day of _____, 20__ hereby amends and modifies the Franchise Agreement dated _____, 20__ (**'Franchise Agreement'**) by and between CHHJ Franchising, L.L.C., a Delaware limited liability company whose principal office is located at 4411 West Tampa Bay Boulevard, Tampa FL 33614 (**'Franchisor'**) and _____, an individual /partnership /corporation whose principal address is _____ (the **'Franchisee'**).

(A) **Introduction.** The Franchise Agreement provides that, if Franchisee obtains some or all of its insurance coverages through a captive insurance program, Franchisee must participate in the captive insurance program specified by Franchisor. Franchisor currently specifies the captive insurance program provided by Spartan Insurance Ltd., which is a Cayman Islands exempted company incorporated with limited liability (**'Spartan Insurance'**). Spartan Insurance is in the business of providing reinsurance for an insurance program currently consisting of workers' compensation, commercial general liability, and commercial automobile liability and physical damage insurance coverages written by U.S. licensed insurance companies for the Shareholders of Spartan Insurance and other approved parties. Spartan has set up a program that allows certain College Hunks Hauling Junk® and College Hunks Moving® franchisees, that qualify on their own to be a Shareholder of Spartan Insurance (**'Standalone franchisees'**), to acquire insurance coverages directly from or through Spartan Insurance (**'Standalone Insurance Program'**).

Spartan Insurance has also set up a program that allows certain College Hunks Hauling Junk® and College Hunks Moving® franchisees, that would not qualify on their own due to premium size (**'Pod franchisees'**), to acquire insurance coverages from or through Spartan Insurance under Franchisor's status as a Shareholder of Spartan Insurance (the **'Pod Insurance Program'**). As part of the Pod Insurance Program, Franchisor is responsible for College Hunks Hauling Junk® and College Hunks Moving® Pod franchisees' obligations to Spartan Insurance and has issued collateral to secure those obligations (the **'Collateral'**). The Standalone Insurance Program and the Pod Insurance Program will sometimes be referred to as the **'Insurance Program.'**

College Hunks Hauling Junk® and College Hunks Moving® franchisees are not required to participate in the Insurance Program, but College Hunks Hauling Junk® and College Hunks Moving® franchisees that meet certain qualifications may be offered the opportunity to participate in the Insurance Program. Franchisee has requested that it be allowed to participate in the Insurance Program. Franchisor is willing to approve Franchisee for participation in the Insurance Program, which will allow Franchisee to apply to acquire insurance coverages from or through Spartan Insurance, subject to the terms and conditions of this Addendum.

For purposes of this Addendum, references to **'Spartan Insurance'** will include any agents or representatives of Spartan Insurance and brokers, insurance companies and other service providers providing services in connection with the Insurance Program but will not include Franchisor in any capacity. In consideration of the foregoing, the mutual covenants of the parties contained in this Addendum and other valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

(B) **Approval for Participation in the Insurance Program.** Franchisor approves Franchisee for participation in the Insurance Program, subject to the terms and conditions of this Addendum and the

Franchise Agreement and subject to approval by Spartan Insurance. Franchisor may revoke this approval for any future policy year if Franchisee fails to meet the safety, risk, credit, and other qualifications specified by Franchisor or Spartan Insurance for participation in the Insurance Program. If approval is revoked for any future policy year, Franchisee may not re-enter the Insurance Program unless Franchisee receives express written authorization to do so from Franchisor and Spartan Insurance.

(C) Requirements of Participation in the Insurance Program. The Insurance Program is managed by Franchisor. As a condition to Franchisee's participation in the Insurance Program, Franchisee must comply with the requirements, policies, and procedures specified by Franchisor. These requirements, policies, and procedures may include, but are not limited to, use of designated insurance agents and brokers in connection with the Insurance Program, accident reporting deadlines, cooperation in claims reviews, participation in risk control meetings and training programs, use of risk management and safety services provided by a designated supplier (which may be Franchisor), allowing Franchisor access to Service Vehicle telematics and camera monitoring, and allowing Franchisor access to information reported to or provided by the captive insurance provider (such as claims made, premiums paid, and risk analysis and control information). Franchisee agrees that Spartan Insurance may provide information specified by Franchisor relating to Franchisee's participation in the Insurance Program directly to Franchisor or that Franchisor may directly access that information to the extent available to Franchisor. In addition, Franchisee agrees to comply with all qualifications and requirements of Spartan Insurance for participation in the Insurance Program, including any applicable payment and collateral requirements. If there is a conflict between this Addendum and Franchisor's requirements, policies, and procedures relating to the Insurance Program and the qualifications and requirements of Spartan Insurance or other parties related to the Insurance Program, Franchisor will have the right and discretion to resolve the conflict in a manner that Franchisor determines is in the best interests of the COLLEGE HUNKS HAULING JUNK® AND COLLEGE HUNKS MOVING ® franchise system.

(D) Other Businesses. Franchisee and its owners and affiliates may only use the Insurance Program for insuring their COLLEGE HUNKS HAULING JUNK® AND COLLEGE HUNKS MOVING ® franchise businesses and must not use the Insurance Program for insuring any other businesses.

(E) Representations and Acknowledgements of Franchisee. Franchisee represents and/or acknowledges the following:

1. Franchisee has received or been presented with a package of materials and other information from Spartan Insurance that summarizes the Insurance Program, including explanations and/or illustrations of actuarial projections, cost estimates and projections, premium estimates and projections, audit factors, historical information relating to Franchisee, historical information and/or projections relating to the performance of Spartan Insurance and potential additional exposures relating to insurance coverages that may be acquired by Franchisee through the Insurance Program (the '**Insurance Program Information**'). Franchisee understands that Franchisor has not prepared the Insurance Program Information or reviewed it for accuracy or completeness and Franchisor does not represent or warrant the accuracy or completeness of the Insurance Program Information. Franchisee understands the Insurance Program Information and has reviewed that information with its legal, insurance and/or other advisors or has had the opportunity to do so. In making its decision to participate in the Insurance Program, Franchisee is relying solely on its own investigation and is not relying on any information or representations provided by Franchisor.

2. Franchisor is not in the business of insuring risks of others and is not providing any insurance coverages to Franchisee. Franchisor is not responsible for any insurance coverages provided through the Insurance Program and does not represent or warrant the sufficiency of any

insurance coverages provided through the Insurance Program. Franchisor does not represent or warrant the ability of Spartan Insurance to fulfill its obligations under the Insurance Program. Franchisor's involvement in the Insurance Program (other than to acquire insurance for itself) is only to act as a Shareholder in Spartan Insurance and as a principal obligor under the Pod Insurance Program as an accommodation to and at the request of Pod franchisees so that Pod franchisees may participate in the Insurance Program. Franchisor will not be liable in any way to Franchisee as a result of Franchisee's participation in the Insurance Program and Franchisee releases Franchisor and its officers, directors, employees, agents and assigns from any such liability.

3. Franchisee will have a responsibility to pay Spartan Insurance or Franchisor for premiums, additional premium assessment obligations, losses, loss reserves, allocated loss adjustment expenses, operating costs and other amounts that may be owed under the terms of the insurance coverages provided to Franchisee under the Insurance Program. Franchisee understands that amounts may become due from Franchisee to Spartan Insurance or Franchisor with respect to a policy year for five years or more after the end of the policy year.

(F) **Obligations of Franchisee.** Franchisee will have the following obligations in connection with Franchisee's participation in the Insurance Program:

1. **Payments.** Franchisee must pay to Spartan Insurance (or, at the option of Franchisor, to Franchisor for payment to Spartan Insurance), insurance brokers, premium finance companies, Franchisor, and other persons in connection with the Insurance Program, on a timely basis, all amounts owed in connection with Franchisee's participation in the Insurance Program, including but not limited to, all premiums and additional claims assessments relating to insurance coverages for Franchisee under the Insurance Program.

2. **Partial Year.** The provisions of this paragraph only apply to Franchisee if Franchisee is participating in the Pod Insurance Program. If Franchisee begins to participate in the Pod Insurance Program after the beginning of the policy year, Franchisor may set a maximum pay-in formula for Franchisee for that partial year that exceeds the standard formula set for other Pod Insurance Program participants. By way of example, if the standard formula is set at two times the prorated A-Fund amount of the franchisee, the partial year formula may be set at six times the prorated A-Fund amount of the franchisee.

3. **Annual LOC Fee.** The provisions of this paragraph only apply to Franchisee if Franchisee is participating in the Pod Insurance Program. Franchisee may be required to pay to Franchisor an annual fee to cover Franchisor's expense and administration of a letter of credit (the '**Letter of Credit**') issued by Franchisor as part of the Pod Insurance Program (the '**Annual LOC Fee**'). Franchisee's Annual LOC Fee will be based on the portion of the Letter of Credit allocable to Franchisee (the '**Allocable Portion**') and will be calculated in the manner specified by Franchisor.

4. **Reimbursement for Franchisor's Payment of Franchisee's Obligations.** The provisions of this paragraph only apply to Franchisee if Franchisee is participating in the Pod Insurance Program. Franchisee must reimburse Franchisor for any costs or expenses paid by Franchisor or paid from the Collateral or Letter of Credit on account of amounts owed by Franchisee under the Pod Insurance Program. This reimbursement must be paid by Franchisee to Franchisor within 30 days of the payment by Franchisor or from the Collateral or Letter of Credit.

5. **Costs of Enforcement.** Franchisee must reimburse Franchisor for any costs and expenses incurred by Franchisor to enforce Franchisee's obligations under this Addendum, including any reasonable attorneys' fees incurred by Franchisor.

6. **Method of Payments to Franchisor; NSF Fees and Interest.** Any amounts owed by Franchisee to Franchisor under this Addendum will be paid at the times and in the manner specified in the Franchise Agreement for miscellaneous fees and charges. Any amounts owed by Franchisee to Franchisor under this Addendum will be subject to NSF fees and interest under the terms of the Franchise Agreement.

7. **Participation in Risk Analysis and Avoidance Programs.** Franchisee must participate in risk analysis and avoidance programs specified by Franchisor and/or Spartan Insurance. This may include a requirement that Franchisee meet compliance metrics specified by Franchisor and/or Spartan Insurance as a condition of continued participation in the Insurance Program.

8. **Continue to Meet Qualifications.** Franchisee must continue to meet the safety, risk, credit, and other qualifications specified by Franchisor and/or Spartan Insurance for participation in the Insurance Program.

9. **Timely Payment of Amounts.** Franchisee must timely pay all amounts due to Spartan Insurance, insurance brokers, premium finance companies, Franchisor and other persons in connection with the Insurance Program. Franchisee will be in default under this Addendum and this Addendum will be subject to termination by Franchisor if Franchisee receives more than one late payment notice in a 12-month period.

10. **Minimum Premiums.** The provisions of this paragraph only apply to Franchisee if participating in the Pod Insurance Program. The minimum premiums for participation in the Pod Insurance Program, including all lines of insurance, is \$50,000.

(G) Distribution of Dividends and Other Payments. Any distribution payment, dividend payment, or other form of payment (the '**Payments**') made by Franchisor in its discretion to Franchisee participating in the Pod Insurance Program, if any, will be made in the sole discretion of Franchisor and may in Franchisor's discretion be based upon both individual and overall group loss experience, among other factors selected by Franchisor. Payments to Franchisee, if any, may vary based upon percentage of all annual premiums paid by the participating Pod franchisees to Old Republic (or any subsequent Program Insurer), and on the Pod Insurance Program and individual Pod franchisee loss ratios, as well as such other factors as may be determined by Franchisor. Payments are not guaranteed and each of the Payments and the allocation of such Payments among the participating Pod franchisees is at the sole discretion of Franchisor (and is further dependent upon Franchisor's actual receipt of dividends or distributions from the Spartan Insurance). For the avoidance of doubt, Franchisor is under no obligation whatsoever to set aside any particular portion of the Payments it receives from Spartan Insurance for the Pod franchisees participating in the Pod Insurance Program, and may determine not to do so with respect to any particular policy period.

(H) Default; Remedies; Termination. Franchisee will be considered in default under this Addendum if Franchisee fails to comply with any obligation under this Addendum. A default by Franchisee under this Addendum will also be considered a default under the Franchise Agreement. In addition, any default by Franchisee as defined in the Franchise Agreement or any event giving Franchisor the right to terminate the Franchise Agreement, will be considered a default under this Addendum. If Franchisee is in default under this Addendum, Franchisor may choose to terminate Franchisee's rights under this Addendum

(in accordance with the termination provisions of the Franchise Agreement) without terminating Franchisee's other rights and obligations under the Franchise Agreement. Termination of this Addendum will not affect or prejudice any of Franchisor's other rights or remedies for Franchisee's default under this Addendum, whether such rights and remedies are contained in this Addendum or the Franchise Agreement or otherwise provided by law or equity. Franchisor's other remedies may include, but are not limited to, termination of the Franchise Agreement, bringing an action to enforce Franchisee's obligations under this Addendum, and revoking Franchisee's approval to participate in the Insurance Program. On termination of this Addendum, Franchisee's right to participate in the Insurance Program will cease. All other rights and obligations of the parties under this Addendum will survive termination of this Addendum and will continue in full force and effect. Franchisee's obligations under this Addendum will not be waived, released or otherwise forgiven, except and unless in a writing signed by Franchisor that expressly references the obligations under this Addendum.

(I) Indemnification. Franchisee will defend, indemnify and hold harmless Franchisor, its officers, directors, employees and agents, and any of its franchisees or other licensees from all fines, charges, suits, proceedings, claims, demands, damages, liabilities, costs and settlements, including the payment of reasonable attorney's fees, arising out of any action and/or inaction of Franchisee and/or any lawsuit, proceeding of any kind or nature and/or settlement negotiations that relate in any way to Franchisee's participation in the Insurance Program.

(J) Legal Effect. Except as modified by this Addendum, the Franchise Agreement will remain in full force and effect and is incorporated into this Addendum by reference. Except as may otherwise be provided in this Addendum, any terms defined in the Franchise Agreement will have the same meaning for purposes of this Addendum. The parties have signed this Addendum on the date set forth below their signatures to be effective as of the date at the beginning of this Addendum.

I HAVE READ THE FOREGOING ADDENDUM AND I HEREBY AGREE TO AND ACCEPT EACH AND ALL OF THE PROVISIONS.

FRANCHISEE

By: _____

Name: _____

Title: _____

Dated: _____

CHHJ FRANCHISING L.L.C.

By: _____

Name: _____

Title: _____

Dated: _____

EXHIBIT J

TO CHHJ FRANCHISING L.L.C. FRANCHISE AGREEMENT

STATE ADDENDA

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

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:

a) Article 23 (Franchisor’s Buy-Out Option) is deleted for California franchisees.

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

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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 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:

- a) Illinois law governs the Franchise Agreement.
- b) In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
- c) Franchisees’ rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
- d) In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
- e) No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have 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:

a) 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.).

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

c) No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have 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. 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.
2. The Franchise Agreement is hereby amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.
3. The Franchise Agreement is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5 regarding Limitations of Claims.
4. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have 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. Sections 22.9 and 22.10 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. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have 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

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20 ____.

FRANCHISEE

By: _____

Name: _____

Title: _____

Dated: _____

CHHJ FRANCHISING L.L.C.

By: _____

Name: _____

Title: _____

Dated: _____

EXHIBIT K

TO CHHJ FRANCHISING L.L.C. FRANCHISE AGREEMENT

ZONE AMENDMENT

CHHJ FRANCHISING, L.L.C.

AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT dated the ____ day of _____, 20____, (the ‘**Amendment**’) hereby amends and modifies the College Hunks Hauling Junk Franchise Agreement dated _____, 20____, by and between CHHJ Franchising, L.L.C., a Delaware limited liability company whose principal office is located at 4411 West Tampa Bay Boulevard, Tampa, Florida 33614 (‘**Franchisor**’) and _____, whose principal address is _____, a _____ limited liability company/corporation/individual who will act under this Agreement under the approved trade name College Hunks Hauling Junk and College Hunks Moving (the ‘**Franchisee**’).

The parties hereby amend the Franchise Agreement in accordance with the following, in addition to the deletions, additions and modifications (which shall control if of any ambiguity between any of them and the terms of the pre-printed form), which appear on the pre-printed form of agreement to which this Amendment is attached. If of any conflict or ambiguity between the terms of this Amendment and the Franchise Agreement, the terms of this Amendment shall control.

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

2. **Headings.** The section and paragraph headings contained in this Amendment are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

3. **Changes to Exhibit A of the Franchise Agreement.** Franchisee will pay Franchisor a fee equal to _____ upon signing for the following Territory: _____

4. **Remaining Terms Unaffected.** The remaining terms of the Agreements are unaffected by this Amendment and remain binding on the parties.

5. **Counterparts.** This Amendment may be signed in one or more counterparts, each of which will be deemed an original and together will constitute one and the same instrument. Facsimile signatures will have the same force and effect as originals. Intending to be bound, the parties to this Amendment now sign and deliver this Amendment in multiple counterparts.

6. **Release.** The Franchisee, for itself and its affiliates, and their respective current and former successors, assigns, officers, shareholders, directors, members, managers, agents, employees, heirs and personal representatives (collectively, the ‘**Franchisee Affiliates**’), hereby fully and forever unconditionally release and discharge the Franchisor and its affiliates, and their respective successors, assigns, agents, representatives, employees, officers, shareholders, directors, members, managers and insurers (collectively, the ‘**Franchisor Affiliates**’) from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever (collectively, the ‘**Released Claims**’), in law or in equity, whether known or unknown, which the Franchisee or the Franchisee Affiliates may now have against the Franchisor or Franchisor Affiliates (or any of them) or which may hereafter be discovered.

Without limiting the foregoing, 'Released Claims' includes, but is not limited to, all claims, demands, obligations, actions, liabilities and damages, known or unknown, in any way arising from or relating to: (i) any relationship or transaction with the Franchisor or Franchisor Affiliates (or any of them), (ii) the Franchise Agreement and any related agreements, including any other franchise agreements between Franchisor and any affiliate of _____ (now or previously in effect), and (iii) the franchise relationship, from the beginning of time until the date of this Amendment.

FRANCHISOR:

FRANCHISEE:

CHHJ FRANCHISING, L.L.C.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES AS OF DECEMBER 31, 2022

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
Alabama	Chad and Elizabeth Dutton 23040 McAuliffe Dr., Ste. A Robertsdale, AL 36567	1	Baldwin County	215-379-1280
Arizona	Ricardo and Denise Rivera 6135 N. 35 th Ave., Suite 127 Phoenix, AZ 85017	1	Glendale	402-671-2303
Arizona	Scott and Lori Harvin 1050 N Fairway Dr. Ste. B-110 Avondale, AZ 85323	2.5	West Phoenix	973-202-7933 973-208-7010
Arkansas	Ron Nobles 7601 Counts Massie Rd. North Little Rock, AR 72113	1	Little Rock	501-271-9070
Arkansas	Dean Hudgeons 460 W. Randall Wobbe Ln. A Springdale, AR 72764	1	Springdale	918-629-2358
California	Clint Parsons 2420 Grand Ave, Ste. H2 Vista, CA 92081	1	Carlsbad	760-814-2646
California	Hugo Chang 44875 Industrial Dr., Unit K Fremont, CA 94538	1	Fremont	510-298-8684
California	Rick and Stacey Gragnani 317 W. Bedford, Suite 106 Fresno, CA 93711	1	Fresno	559-269-6539
California	Edward Jabbour 12600 Stowe Dr., Ste. 3 Poway, CA 92064	1	Poway	619-518-3333
California	Clement Harris 3944 Murphy Canyon Rd. Ste. C102 San Diego, CA 92123	1	San Diego	404-808-6033
California	John Allen 7960 Silverton Ave., Suite 128 San Diego, CA 92126	1	San Diego North	214-755-9046
California	Joe Silva 1400 Coleman Ave. Ste. D11 Santa Clara, CA 95050	3	San Francisco/San Jose	831-673-1225
California	Jorge Marquez 3520-H Haven Ave. Redwood City, CA 94063	2	Palo Alto	561-235-8611

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
California	Destrian Vallejo 26372 Deere Ct., Units D&E Murrieta, CA 92562	1	Temecula	760-470-7679
Colorado	Keven Elwood 3119A N El Paso St. Colorado Springs, CO 80907	2	Colorado Springs	719-660-5477
Colorado	Crystal Brazzle 1288 S. Santa Fe Dr. Denver, CO 80223	4	Denver	515-419-5785
Colorado	Brad and Julie Ragusa 7100 Broadway, Bldg. 1-0 Denver, CO 80221	3	Denver North	303-525-4423
Colorado	Dustin Hughes 4110 Rio Grande Ave., Unit B Sedalia, CO 80135	1	Denver South	303-520-1278
Colorado	Ross Finch 13997 E. Exposition Ave. Aurora, CO 80012	1	Denver Southeast	720-853-1101
Colorado	Clark Kaml 301 Lincoln Ct. Fort Collins, CO 80524	1	Fort Collins	612-217-3213
Connecticut	Kylie Harrington and Joshua Claffey 3 Turnberry Ln., Unit #5 Sandy Hook, CT 06482	1	Danbury	845-792-3120
Connecticut	Eric Dabkowski 399 Ledyard St., Unit 1 Hartford, CT 06114	1	East Hartford	860-977-4396
Connecticut	Nunzio Morra 7 Business Park Dr., Unit 15 Branford, CT 06405	1	Shoreline	203-848-0038
Delaware	Brian Gonyo and Keerthi Reddy 1243 Old Coochs Bridge Rd. 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	Robert Dooley, Jr. 1725 S. Nova Rd., Units E-9 & E-10 South Daytona, FL 32119	1	Daytona	904-755-1848
Florida	Richard Tommer 2701 Hollywood Blvd. Hollywood, FL 33020	3	Fort Lauderdale	954-770-2583
Florida	Steven Sanford 5837 Dawson St., Bay E Hollywood, FL 33023	1	Fort Lauderdale South	305-528-7433

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
Florida	Kasper Norkus and Jessica Cockreham 4300 Ford St., Ste. 108 Fort Meyers, FL 33916	2	Fort Meyers	239-410-4818 239-410-4090
Florida	Peter Roghaar 1722 NW 80 th Blvd, Unit 10 Gainesville, FL 32606	1	Gainesville	727-580-0505
Florida	Mark Roth 9836 Beach Blvd. Jacksonville, FL 32246	4	Jacksonville	917-468-6376
Florida	Carlos Gonzalez 4353 NW 72 nd Ave. Miami, FL 33166	1	Hialeah	305-725-3477
Florida	Omar Soliman, Michael Murphy and Ahmmon Richards 321 NW 8 th Ave, Miami Beach, FL 33127	1	Miami	561-324-0532
Florida	Camilo Garcia and Juan Gomez 2100 NE 2 nd Ave. Miami, FL 33137	1	Miami Beach	786-717-0391 786-812-6695
Florida	Joby Pallipatte 3045 Davis Blvd. Naples, FL 34104	1	Naples	239-777-9175
Florida	Bill McKay 6270 Edgewater Dr. Ste. 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	Rick and Trent Lott 622 S. Collins St. Plant City, FL 33563	4	Plant City	813-267-3005 813-830-8780
Florida	Brad and Jeff Ackman 8249 Business Park Dr. Port St. Lucie, FL 34952	1	Port St. Lucie	812-236-9438
Florida	Bret and Ryan Bailey 3080 N. Washington Blvd. Rear Unit #29 Sarasota, FL 34234	2	Sarasota	586-596-0321
Florida	Peter Hiraldo and Jorge Perez 1004 Peel St. Avon Park, FL 33825	1	Sebring	347-726-0230
Florida	Brandan Underwood and Acey Ignacio 4895 47TH Ave. N St. Petersburg, FL 33714	4	St. Petersburg,	813-422-0334

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
Georgia	Roger Panitch 6670 Comers Industrial Ct Ste. A Norcross, GA 30092	4	Atlanta	404-849-2016
Georgia	Bill Castle and Daniel De Las Casas 3350 Clarkston Industrial Blvd. E Clarkston, GA 30021	2	Atlanta East	404-561-4075
Georgia	Ricky Scott 506 Manchester Expressway, Suite B21 Columbus, GA 31904	1	Columbus	706-329-6622
Georgia	Jeff Moss 514A Speedway Blvd. Hampton, GA 31022	1	Griffin	478-973-1555
Georgia	Jeffrey Barron 382 Senoia Rd., Unit B1 Tyrone, GA 30290	1	Newnan Peachtree City	478-714-0637
Georgia	Richard Purgason 5044 BU Bowman Dr. #105 Buford, GA 30518	3	Atlanta Northeast	770-654-4289
Georgia	Omar Nieves and Christopher Holcombe 934 E. Church St, Ste. 101 Jasper, GA 30143	1	Jasper	561-632-7652
Georgia	Kevin Corn 107 Peach Wood Dr. Byron, GA 31008	1	Macon	478-955-9215
Georgia	Alan Ihm 4859 Martin Ct. SE Ste. 6 Smyrna, GA 30082	2	Marietta	770-940-2024
Georgia	Keith and Emily O'Rourke 42 W Montgomery Cross Rd. Savannah, GA 31406	1	Savannah	404-975-9351 912-421-9387
Iowa	Jason Felker 10500 Hickman Rd., Suite H Clive, IA 50325	1	Des Moines	402-659-0143
Idaho	Ben Washow 2163 S Centurion Place Boise, ID 83709	2	Boise	847-347-8862
Illinois	Erica Fine and Matt Paison 1249 Rand Rd. Des Plaines, IL 60016	1	Arlington Heights	734-678-0026 847-204-9784
Illinois	John Smego 4320 1 st Ave., Unit 108	1	Brookfield	708-796-1043

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
	Lyons, IL 60534			
Illinois	Jordan Rothberg 770 North Halsted, Ste. 101 Chicago, IL 60642	3	Chicago	516-815-2121
Illinois	Tim Ibraimi 16308 S. 107th Ave., Ste. 6 Orland Park, IL 60467	1	Chicago Southwest	708-769-5050
Illinois	Lukas Tamonis and Ausra Radcliffe 766 Industrial Dr., Unit A Crystal Lake, IL 60013	1	Crystal Lake	630-229-9437
Illinois	Edward Gignac and Karen Conboy 753 Springer Dr. Lombard, IL 60148	2	DuPage County	773-858-8116
Illinois	Ray Djokic 3182 Doolittle Dr. Northbrook, IL 60062	2	Lake County	847-494-0533
Illinois	Felipe Cossyleon and Frank Kimala 424 Fort Hill, Ste. 108 Naperville, IL 60540	1	Naperville	708-935-4126 708-259-2712
Illinois	Dejan Zivojinovic 256 Commerce Dr., Suite C Grayslake, IL 60030	1	North Lake County	224-804-8866
Illinois	Victor Chin 6813 N 2nd St. Machesney Park, IL 61115	1	Rockford	608-345-3154
Indiana	Wesley Snyder 8070 Castleton Rd. Indianapolis, IN 46250	1	Indianapolis	317-513-2756
Indiana	Wesley Hunter, Jr. and Wesley Hunter, Sr. 5815 W. 74 th St. Indianapolis, IN 46250	3	Indianapolis South	901-337-6339
Indiana	Princess Scutt and Nixon Dorvilien 3702 W. Sample St., Suite 1131 South Bend, IN 46619	1	South Bend	863-399-3544
Kansas	Justin Henry 7967 E. Frontage Rd. Overland Park, KS 66204	3.5	Kansas City	816-813-3553
Kansas	Roger McDowell 5606 Topeka Blvd., Ste. B Topeka, KS 66609	2.5	Topeka	913-707-6589
Kansas	Eric Byrnes 6130 E. Calvin Dr.	1	Wichita	

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
	Wichita, KS 67218			
Kentucky	Jack and Laura Gordon 7964 Kentucky Dr., Ste. 12 Florence, KY 41042	1	Florence	513-404-3542
Kentucky	William Martin 105 Daventry Lane #302 Louisville, KY 40223	1	Louisville	502-417-2929
Louisiana	Sandy Embroli 116 Toledo Dr. Lafayette, LA 70506	1	Acadiana	337-349-9235
Louisiana	Mark Breaux 10652 Alco Ave., Ste. E Baton Rouge, LA 70816	1	Baton Rouge	225-284-5636
Louisiana	Kane McAndrew and Kevin Henry 19153 HiPark Blvd., Suite 5 Hammond, LA 70403	1	Covington	337-396-1415 985-264-7276
Maryland	John Bates 2012 Renard Ct. Ste. L Annapolis, MD 21401	2	Anne Arundel	301-335-2385
Maryland	Stacy Moses 728 Belair Road, Units 108-109 Bel Air, MD 21014	1	Bel Air	256-312-2712
Maryland	Donte and Ada Morgan 151 Schooner Ln., Bld D Unit 33 Prince Fredrick, MD 20678	1	Calvert	301-752-5678 443-771-2273
Maryland	Lisa and Tim Perkins 401 Center St., Ste. 103 Mount Airy, MD 21211	2	Howard County	240-476-1460
Maryland	Jovan Stevens and Terez Tompkins 7830 Penn Western Ct. Upper Marlboro, MD 20772	1	Prince George's County	240-600-3856
Maryland	Comico Hadden and Bernard Westbrook 11064 Livingston Rd., Unit C Fort Washington, MD 20744	1	Upper Marlboro	240-277-9406
Massachusetts	Dan Tereshko 61 Endicott St., Bldg. 25 Norwood, MA 02062	2	Boston South	774-262-7303
Massachusetts	Michael Marc-Aurele 663 Lawrence St., Unit #201 Lowell, MA 01852	1	Chelmsford	973-557-5386
Michigan	Todd Davis 1080 Rosewood St. Ann Arbor, MI 48104	1	Ann Arbor	517-712-0805

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
Michigan	Jake Whitchurch 34902 Forest St. Wayne, MI 48184	1	Canton	503-575-0087
Michigan	Dan Ryan and Patrick Lipa 906 W. 11 Mile Rd. Madison Heights, MI 48071	2	Oakland County	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 St. SE Grand Rapids, MI 49512	2	Grand Rapids	616-824-1881
Michigan	Stevey Hagerman 35468 Groesbeck Highway Unit A Clinton, MI 48035	1	Gross Pointe	248-390-5593
Michigan	Chad Jacob 5162 South Sprinkle Rd. Portage, MI 49002	2	Kalamazoo	269-998-9898
Michigan	Clark Burkle and Bill Willbrandt 1200 East Oakland Ave. Lansing, MI 48906	1	Lansing	517-420-6490 269-591-9191
Michigan	Bryan Saad 10111 Marine City Hwy. Ira Township, MI 48023	1	Macomb County	586-255-9455
Minnesota	Jason Sedlak 6585 Edenvale Blvd Ste. 140 Eden Prairie, MN55346	1.5	Eden Prairie	612-720-7927
Minnesota	James (Skip) Christiansen 17471 Kenwood Trail Lakeville, MN 55044	2	Minneapolis	651-357-5843
Minnesota	Conrade Thomas 11511 K-Tel Drive Minnetonka, MN 55343	1	Minnetonka	763-228-9818
Minnesota	Ryan Spille 475 Old Highway 8 NW Ste. 110 New Brighton, MN 55122	1	Shoreview	952-220-5604
Missouri	Steve Dullard 5900 Tower Dr., Unit D Columbia, MO 65202	1	Columbia	
Missouri	Kyle Henning 6603C Royal, Suite B Pleasant Valley, MO 64068	1	Kansas City North	206-953-5333

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
Missouri	Matt Rodick 219 N. Cedar St. Belton, MO 64012	1	Lees Summit	662-910-9018
Missouri	Mikaela and Armon Provo 1440 N. Warson Rd. St. Louis, MO 63132	2	St. Louis	314-315-5275
Nebraska	Tom Hughes 3312 Madison Ave. Lincoln, NE 68504	2	Lincoln/Omaha	402-419-6202
Nevada	Donny and Danielle Guy 6351 Hunson St., Ste. I Las Vegas, NV 89118	1	Las Vegas	702-581-1339
Nevada	Erik Severson 1455 Deming Way, Unit 21 & 22 Sparks, NV 89431	1	Reno	775-895-6234
New Jersey	Carl and Katie Hubner 711 North Main St., #11 Pleasantville, NJ 08232	1	Atlantic City	609-289-1019 609-457-4616
New Jersey	Victor Spaulding 7150 North Park Dr., Suite 410 Pennsauken, NJ 08109	1	Cherry Hill	856-265-5841
New Jersey	Paul Meyler 625 Jersey Ave., Unit 6 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 Jersey	Yuan Liao and Annette Changpertitum 2616 East State St., Ste. 2 Hamilton, NJ 08619	1	Trenton	917-903-1403 646-285-2499
New York	Steven Nickels and Ted Panebianco 160 Wilbur Place #300 Bohemia, NY 11716	9	Long Island	516-236-9382
New York	Erik and Adam Jozefiak 1 Highland Industrial Park, Unit B Peekskill, NY 10566	1	Mt. Kisco	215-498-7426 267-614-9117
New York	Omar Soliman 39 Davenport St. Stamford, CT 06902	3	Westchester, Yonkers, New York, and Stamford, Connecticut	
North Carolina	Todd Smith 6 Celtic Dr., Unit B1 Arden, NC 28704	1	Asheville	269-213-9768
North Carolina	Joel, Jennifer and Jeremy Harper	3	Charlotte	704-517-8914

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
	1150 Crews Rd., Ste. B10 Matthews, NC 28105			704-762-0493
North Carolina	Anthony Auman 2700 Liberty Rd. Greensboro, NC 27406	1	Greensboro	336-460-0785
North Carolina	Sanjeev Kumar 1914 W. Arlington Blvd, Suite 107 & 110 Greenville, NC 27834	1	Greenville	252-366-0283
North Carolina	Steven Roper 8810 Westgate Park Dr. Ste 114 Raleigh, NC 27617	3	Raleigh/Durham	919-247-0481
North Carolina	Brian and Michael McCormick 7981 Fisher Rd. Rockwell, NC 28138	1	Statesville Mooresville	609-304-7706
North Carolina	Thom Shone 674 Blue Rock Ct. Winston Salem, NC 27103	1	Thomasville	336-978-0822
North Carolina	Jeff Moss 9075 Industrial Blvd. NE, #D Leland, NC 28451	1	Wilmington	478-973-1555
Ohio	Chad Rogers 8683 Fields Ertel Rd. Cincinnati, OH 45249	2	Cincinnati	513-284-7204
Ohio	Dan Loughridge 4500 Lee Rd. Cleveland, OH 44128	2	Cleveland	216-394-8392
Ohio	Jeff Arpin and Alex Arthur 3999 Parkway Lane, Unit #9 Hilliard, OH 43214	2	Columbus	614-506-1533 937-266-2395
Ohio	Adrian Thomas 7500 Green Meadows Dr North, Suite 1517 Lewis Center, OH 43035	1	Columbus North	813-557-9169
Oklahoma	Travis Foster 862 W. Taft Ave. Sapulpa, OK 74066	1	Jenks	678-778-3909
Oklahoma	Marty Dufek 1125 SE Grand Blvd, #118 Oklahoma City, OK 73129	1	Oklahoma City	405-588-9898
Oklahoma	Dave Culbertson 6 S. 109 th East Pl. Tulsa, OK 74128	1	Tulsa	918-519-5512
Oregon	Morgan Parker 62987 Plateau Dr., Unit 4 Bend, OR 97701	1	Bend	218-779-0612

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
Oregon	Scott and Dierdre Lane 402 Beaver Creek Rd., Ste. 109 Oregon City, OR 97045	1	Happy Valley	775-303-4875
Oregon	Chuck Lombardo 10170 SW Nimbus Ave. Ste. H-4 Portland, OR 97223	2	Portland	503-705-5759
Pennsylvania	Mark and Sue Gall 4016 Portland St., Ste. 1 Coplay, PA 18037	1	Allentown	201-396-1889
Pennsylvania	Curtis Wickard and Kristen Kassel 28 E. Main St. New Kingstown, PA 17072	1	Carlisle	717-580-5226 717-385-3755
Pennsylvania	Pratik and Vrajesh Patel 4800 Boston Ave Trevose, PA 19053	1	Levittown	201-841-7595
Pennsylvania	Laura Charles 1101 William Flynn Highway Unit 5 Glenshaw, PA 15116	2	Pittsburgh West	724-502-4035
Pennsylvania	Cos and Mary Anne Losco 2880 Bergey Rd., Ste. E Hatfield, PA 19440	2.5	Bucks County	215-327-1891
Pennsylvania	Michael Ort 316 E Union St. West Chester, PA 19382	4	Philadelphia	717-903-6433
Rhode Island	Tom DeNunzio 53 Venturi Ave. Warwick, RI 02888	1	Providence	203-613-5411
South Carolina	Bradley Simmons 293 Bay St. Charleston, SC 29401	1.5	Charleston	276-608-3485
South Carolina	William Sullivan 5608 Pinestraw Rd. Columbia, SC 29206	1	Columbia	803-269-8151
South Carolina	Guillermo Hernandez 3545 Centre Circle, Ste. A Fort Mill, SC 29715	1	Fort Mill	704-619-0310
South Carolina	Kenneth Truelove 1138 White Horse Rd. Ste. L Greenville, SC 29605	1	Greenville	864-376-5054
South Carolina	Michael Smith 1254 3rd Ave. S. Myrtle Beach, SC 29577	1	Myrtle Beach	843-267-8846

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
South Carolina	Adam Wells 7486 Highway 101 South Greer, SC 29651	1	Spartanburg	864-376-5054
Tennessee	Brett Collins 2612 Amnicola Highway Chattanooga, TN 37406	1	Chattanooga	770-377-8510
Tennessee	Rovynne Secore 1400 N. 6 th Ave, Ste. D3 Knoxville, TN 37917	1.5	Knoxville	561-346-5180
Tennessee	Patrick Lombardi 443 McNally Dr. Nashville, TN 37211	3	Nashville	615-946-7068
Texas	Caleb Harris and Patrick Lombardi 523 Thompson Lane, Ste. A Austin, TX 78742	2	Austin	615-946-7068
Texas	Shawnn Lampson 1120 W Howard Ln Ste. 1 Austin, TX 78753	4	Austin	512-740-8608 816-813-3553 913-850-0312
Texas	Anthony Hiegel 1000 South West Dr Leander, TX 78641	1	Austin Move North	
Texas	Josh Danna 342 Highway 69 S., Unit A Lumberton, TX 77657	1	Beaumont	409-658-5726
Texas	Scott and Yvonne Leffel 1510 Randolph St., Ste. 102 Carrollton, TX 75006	1	Carrollton	972-977-9894
Texas	Fabio Quintanilha 27493 Hanna Rd., Suite A Conroe, TX 77385	1	Conroe	786-832-8061
Texas	Jason Witkowsky 13482 Farm to Market Rd 529, Unit 2 Houston, TX 77041	1	Copperfield	203-554-5313
Texas	Asim Syed 2526 Manana Dr., Ste. 110 Dallas, TX 75220	1	Dallas Central	832-922-1624
Texas	Kyle Rohlf 4360 Beltway Pl, Suite 125 Arlington, TX 76018	1	Dallas Southwest	214-966-9574
Texas	Fernando Quintanilla Burrieza and Almudena Moreno Salazar 333 S. Kirby St., Unit 139 Garland, TX 75042	1	Garland	469-456-3999

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
Texas	Nicole Ablitt 2401 Worthington Dr., Suite 112 Denton, TX 76207	1	Denton	617-777-7836
Texas	Rachel and Cordell Mance 11261 Richmond Ave. Unit G 108 Houston, TX 77082	1	Eldridge	480-528-3971
Texas	Jeff Wood 11032 Timber Tech Ave. Tomball, TX 77355	2	Houston	832-515-1531
Texas	Roger and Drake Smith 5223 Bellaire Blvd. D, Bellaire, TX 77401	2	Houston Central	832-721-8791
Texas	Shaun Leudecke 4707 Highway 36, Ste. 49 Rosenberg, TX 77471	2	Houston Southwest	832-452-1579
Texas	Scott Wilkins 1750C Dickinson Ave. Dickinson, TX 77539	1	League City	832-649-9908
Texas	Dave O'Hanna 4025 E. University, Suite C300 McKinney, TX 75069	1	McKinney	972-951-8463
Texas	Adam and Wendy Good 11009 Osgood Dr. San Antonio, TX 78223	1	Northeast San Antonio	209-844-6395 909-957-4243
Texas	Peter Kalambayi 211 Trade Center Dr. New Braunfels, TX 78130	1	New Braunfels	704-712-8039
Texas	Eva Arredondo and Sam Rosales 10840 Switzer Ave, Suite 104 Dallas, TX 75238		North Dallas	214-215-3556 214-980-2240
Texas	Atit Bhakta 3100 Independence Pkwy Suite 201 Plano, TX 75075	1	Plano Move	214-417-7307
Texas	Barbara and Lance Lee 12448 State Highway 205 Lavon, TX 75166	1	Rockwall	940-597-5225 940-808-9106
Texas	Carlson and Lilian Tayong 4100 E. Old Settlers Blvd. Round Rock, TX 78665	1	Round Rock	443-858-4443 443-858-2888
Texas	Tony Marlowe, Jr. and Tony Marlowe, Sr. 9809 McCullough Ave. San Antonio, TX 78216	1	San Antonio	210-931-6800 210-260-9909

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
Texas	Jeff Winegarden 10001 & 10005 Camp Bowie West Blvd. Fort Worth, TX 76116	2	Southwest Fort Worth	817-223-5212
Texas	Yadder and Kim Mejia 9421 FM 2920 Rd., Bld 29M Tomball, TX 77375	1	The Woodlands	346-815-7080 281-798-7436
Texas	Dan Mills 5900 Franklin Ave., Unit 35 Waco, TX 76710	1	Waco	254-855-7963
Utah	Trevor, Misty and Clay Moss 14735 S. 855 W. Bluffdale, UT 84065	1	Draper	801-634-2076 801-860-2226 801-903-8981
Utah	Dallin Hendrickson 317 N. 2000 W., #218B Springville, UT 84663	1	Provo	801-854-3596
Virginia	Tom Craig 3431 Carlin Springs Rd, Ste. B Falls Church, VA 22042	4	Arlington	202-262-2238
Virginia	Cole Lokey 819 B Albermarle St. Charlottesville, VA 22041	1	Charlottesville	540-435-7167
Virginia	Vimal Patel and Shivam Amin 430 Southlake Blvd., Ste. 12 North Chesterfield, VA 23236	2	Richmond	804-943-1264
Virginia	Parke Atkinson 4904 Rutherford Rd., Ste. 101 Virginia Beach, VA 23455	3	Virginia Beach	703-851-9224
Virginia	Jeremy Berkebile 120 Agape Way Stephens City, VA 22655	2	Winchester	540-931-7799
Washington	Bill and Paula Beisley 2114 6th St. Bremerton, WA 98312	2	Gig Harbor	360-731-3348 360-731-7016
Washington	Jeff Thirlwall 13624 Highway 99 Unit B3 Lynwood, WA 98037	1	Lynwood	206-953-5333
Washington	Susan and Pete Davis 1130 Industry Dr. Tukwila, WA 98188	1.5	Renton	253-334-8841
Washington	Karin and Magnus Olason 8128 20th Ave. SW Seattle, WA 98106	3	Seattle Central	206-919-2902 206-482-7454
Washington	Price Paramore 7125 E Broadway, Ste. 100 Spokane Valley, WA 99212	1	Spokane	605-269-8505

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
Washington	Brandon Christian, Autumn Christian, Ryan Evans and Heather Evans 6317 112th St. E Puyallup, WA 98373	2	Tacoma	253-370-6111
Wisconsin	Byron Holt 2306 W. Nordale Dr Appleton, WI 54914	1	Appleton	920-851-0383
Wisconsin	Amy and Aaron Wetzel W188 N11927 Maple Rd. Unit 16 Germantown, WI 53022	1	Germantown	916-835-0856
Wisconsin	Preston Goetz and Cameron Klapa 2021 Badger Ave. Kaukauna, WI 54130	1	Green Bay	920-379-4123 920-312-3111
Wisconsin	Patrick Finerty and Rick Bowman 4200 Leider Dr, Unit E Union Grove, WI 53182	1	Kenosha	847-323-9394 847-846-4350
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	Rachel Larson 4123 Terminal Drive McFarland, WI 53558	1	Madison	608-345-3154
Wisconsin	Matt Gunderson 5656 S. Packard Ave., Ste. 22 Cudahy, WI 53110	1	Oak Creek	414-366-9188

Franchisees Who Have Signed Franchise Agreements but Not Yet Opened Outlets

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
Arizona	Nate Lashley and Kyle Mroczek 7755 E. Redfield Rd. Suite 600 Scottsdale, AZ 85260	1	Scottsdale	480-227-0941 602-791-4515
California	John and Maria Zarzar and Cesar and Brianda Bernachi	1	Chula Vista	619-404-4603
California	Damian and Shelli Robinson 30941 Agoura Rd., Suite 305 West Lake Village, CA 91316	1	Thousand Oaks	410-963-7721 410-961-9547
Connecticut	Steve O'Keefe	1	East Fairfield	203-901-8981

State	Franchisee Name and Mailing Address	No. of Zones	City / Location	Telephone No.
Florida	Cliff Sabo 119 Hollywood Blvd, Suite 104 Fort Walton Beach, FL 32548	1	Destin	757-685-1483
Florida	Carmelo Ramos	2	Lakeland	973-932-2480
Massachusetts	Ben and Andrew Astley, Sean Cunning	1	Southeast Boston	781-738-4531 781-738-4530 781-603-7255 619-852-3699
Massachusetts	Amy Monroe	1	Springfield	619-852-3699
Mississippi	Charley Wallace	1	Hattiesburg	601-408-0966
New Hampshire	William Batchelder 270 Lafayette Rd., Unit 4 Seabrook, NH 03874	1	Portsmouth	603-275-5663
New Jersey	Kemar Phillips	1	Howell	201-491-7133
Ohio	James and Jen Harper 3515 Columbia Rd., Unit 1512 Lebanon, OH 45036	1	Lebanon	740-253-0497 740-253-1625
Ohio	Matt Donovan and Kyle Olsen	1	Northeast Columbus	614-570-7248 614-915-7340
Texas	Robert Collins	1	Keller	281-825-6612
Texas	Mark Matthews 300 N. Bryant St., Suite 116 Midlothian, TX 76065	1	Midlothian	504-994-7449
Utah	Anthony Starace 7000 S. Redwood Rd., Unit 20 West Jordan, UT 84084	1	South Jordan	520-405-6423
Virginia	Juanita Bovain	1	Fredericksburg	757-277-2629
Virginia	Isaac Shure 4431 Brookfield Device, Ste. E Chantilly, VA 20151	1	Reston	559-269-6539

EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF FORMER FRANCHISEES

The franchisees in the table below have had an outlet terminated, cancelled, not renewed, or otherwise ceased to do business during the year ending December 31, 2022, or who have not communicated with us within 10 weeks of the date of this Disclosure Document.

State	Franchisee Name	No. of Zones	City / Location	Telephone No.	Terminated, Cancelled, Not Renewed, Transferred, Other
Arizona	William Graham 15875 N. Greenway Hayden Loop, #110 Scottsdale, AZ 85260	1	Scottsdale	602-882-3328	Other
Florida	Lisa Tully, Brian Tully, Russell Tully 9836 Beach Blvd. Jacksonville, FL 32246	4	Jacksonville	916-458-1351	Transferred
Iowa	Timothy Galeazzi 10500 Hickman Rd. Suite H Clive, IA 50325	1	Des Moines	515-321-9629	Transferred
Kentucky	Marty Vaughn 125 Trade St., Suite H Lexington, KY 40511	1.5	Lexington	859-312-1720	Other
Maryland	Christian Betancourt and Huyustus Fortun 7830 Penn Western Ct. Upper Marlboro, MD 20772	1	Prince George's County	305-608-8825	Transferred
Nevada	Robert Epstein 6215 McGill Ave., Suite 350 Las Vegas, NV 89122	1	Henderson	917-414-3447	Other
Nevada	Robert Bethune 2410 N. Decatur Blvd. Suite 125 Las Vegas, NV 89108	1	Summerlin	713-203-4748	Other
New Hampshire	Grant Broom and Alexandra Broom 8D Tinkham Ave. Derry, NH 03038	1	Manchester	603-340-3779	Other
New York	Thomas Yewdell 39 Davenport St. Stamford, CT 06902	1	Westchester	914-374-5756	Transferred
Oklahoma	David Culbertson and Avery Culbertson	1	Tulsa	918-519-5512	Other

State	Franchisee Name	No. of Zones	City / Location	Telephone No.	Terminated, Cancelled, Not Renewed, Transferred, Other
	6 S. 109 th East Pl. Tulsa, OK 74128				
Pennsylvania	Andrew Lawrie 555 Rosedale Rd. Kennett Square, PA 19348	1	South Chester	484-571-1727	Other
South Carolina	Guillermo Hernandez 3545 Centre Circle, Suite A Fort Mill, SC 29715	1	Rock Hill	803-554-5059	Other
Texas	Ayo Sopitan and Foloyinka Folowosele 16326 Mueschke Rd., Suite E11 Cypress, TX 77433	1	Copperfield	201-682-4770	Other
Texas	Jeff Wood 11302 Timber Tech Lane, Suite B Tomball, TX 77375	3.5	Houston	713-875-5015	Other
Texas	David Steinman 3100 Independence Pkwy, Suite 201 Plano, TX 75075	2	Plano	214-417-7307	Transferred
Virginia	James and Lawrence Mann 819 B Albermarle St. Charlottesville, VA 22902	1	Charlottesville	276-623-6598	Transferred
Virginia	John Rowles 208 Elden St., Suite 205 Herndon, VA 20170	2	Leesburg	703-785-6402	Other
Virginia	Stephen Arvoy 120 Agape Way Stephens City, VA 22655	2	Virginia NW	540-877-7901	Other

EXHIBIT F TO THE DISCLOSURE DOCUMENT
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TOTAL NUMBER OF PAGES IN ALL MANUALS 576

EXHIBIT G
FINANCIAL STATEMENTS
[SEE ATTACHED]



CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020



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CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
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INDEPENDENT AUDITORS' REPORT

Management
CHHJ Franchising, L.L.C. and Subsidiary
Tampa, Florida

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of CHHJ Franchising, L.L.C. and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2022, 2021, and 2020, and the related consolidated statements of operations, member's equity (deficit), and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CHHJ Franchising, L.L.C. and Subsidiary as of December 31, 2022, and 2021, and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, in 2022 the Company adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CHHJ Franchising, L.L.C. and Subsidiary's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

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



CliftonLarsonAllen LLP

Tampa, Florida
April 18, 2023

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022, 2021, AND 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 3,860,765	\$ 4,010,585	\$ 3,254,170
Restricted Cash	170,606	58,231	58,368
Accounts Receivable	1,359,814	1,254,028	1,020,227
Prepaid Expenses and Other Assets	198,932	764,218	539,152
Current Deferred and Capitalized Franchise Costs	635,539	424,454	233,580
Due from Related Parties, Current	461,519	603,046	325,906
Other Receivables, Current	<u>237,984</u>	<u>10,000</u>	<u>15,875</u>
Total Current Assets	6,925,159	7,124,562	5,447,278
LONG-TERM ASSETS			
Property and Equipment	1,523,090	1,317,305	1,031,887
Intangible Assets	2,503,041	1,766,689	988,156
Accumulated Depreciation and Amortization	<u>(2,718,497)</u>	<u>(1,963,649)</u>	<u>(1,384,047)</u>
Property, Equipment and Intangible Assets, Net	1,307,634	1,120,345	635,996
Deferred and Capitalized Franchise Costs, Net of Current	4,274,720	3,117,848	2,737,780
Other Receivables, Net of Current	1,524,999	-	-
Due from Related Parties, Net of Current	-	27,218	1,762,152
Insurance Deposits	863,213	537,880	150,500
Operating ROU Asset	2,367,804	-	-
Accumulated Amortization Right of Use Asset	<u>(92,827)</u>	<u>-</u>	<u>-</u>
Total Long-Term Assets	<u>10,245,543</u>	<u>4,803,291</u>	<u>5,286,428</u>
Total Assets	<u><u>\$ 17,170,702</u></u>	<u><u>\$ 11,927,853</u></u>	<u><u>\$ 10,733,706</u></u>

See accompanying Notes to Consolidated Financial Statements.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2022, 2021, AND 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)			
CURRENT LIABILITIES			
Accounts Payable	\$ 499,151	\$ 359,112	\$ 303,981
Credit Cards Payable	173,302	307,310	341,264
Accrued Salaries and Wages	352,327	443,457	340,885
Customer Deposits	128,691	206,671	280,701
Due to Related Parties, Current	4,246	-	42,253
Deferred Sponsorship and Other Liabilities	272,439	243,752	132,926
Current Deferred Franchise Fees	1,082,037	783,357	409,269
Line of Credit	-	-	197,368
Capital Lease, Current	-	-	71,461
Current Lease Liability - Operating	52,591	-	-
Long-Term Debt, Current	-	-	600,803
Total Current Liabilities	<u>2,564,784</u>	<u>2,343,659</u>	<u>2,720,911</u>
LONG-TERM LIABILITIES NET			
Deferred Franchise Fees, Net of Current	7,277,203	5,819,395	4,747,186
Long-Term Debt, Net of Current	-	-	4,499,197
Long-Term Lease Liability - Operating, Net of Current			
Maturities	2,270,044	-	-
Total Long-Term Liabilities, Net	<u>9,547,247</u>	<u>5,819,395</u>	<u>9,246,383</u>
Total Liabilities	12,112,031	8,163,054	11,967,294
MEMBER'S EQUITY (DEFICIT)	<u>5,058,671</u>	<u>3,764,799</u>	<u>(1,233,588)</u>
Total Liabilities and Member's Equity (Deficit)	<u><u>\$ 17,170,702</u></u>	<u><u>\$ 11,927,853</u></u>	<u><u>\$ 10,733,706</u></u>

See accompanying Notes to Consolidated Financial Statements.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

	2022	2021	2020
REVENUE			
Royalty Fees	\$ 17,851,814	\$ 14,748,181	\$ 9,966,934
Call Center Fees	8,376,868	7,356,821	5,874,442
Franchise Fee Revenue	1,099,537	1,120,803	1,003,028
Other	5,067,949	4,216,870	2,820,951
Total Revenue	<u>32,396,168</u>	<u>27,442,675</u>	<u>19,665,355</u>
COST OF SERVICES	<u>7,717,206</u>	<u>6,682,821</u>	<u>5,067,655</u>
GROSS PROFIT	24,678,962	20,759,854	14,597,700
OPERATING EXPENSES			
Management Labor	6,282,772	4,974,881	2,990,766
Marketing	3,935,928	3,236,088	2,582,036
Other Operating Expenses	2,980,921	2,256,162	1,433,126
Payroll Taxes and Benefits	1,883,615	1,280,797	960,054
Depreciation and Amortization	754,850	579,601	282,504
Facilities	651,139	459,274	430,226
Bad Debt Expense	6,634	13,144	25,625
Total Operating Expenses	<u>16,495,859</u>	<u>12,799,947</u>	<u>8,704,337</u>
NET OPERATING INCOME	8,183,103	7,959,907	5,893,363
OTHER INCOME			
Other Income	1,264,665	202,752	1,986,007
Interest Income	986	1,000	4,394
Total Other Income	<u>1,265,651</u>	<u>203,752</u>	<u>1,990,401</u>
OTHER EXPENSES			
Interest Expense	<u>-</u>	<u>24,408</u>	<u>213,200</u>
NET INCOME	<u><u>\$ 9,448,754</u></u>	<u><u>\$ 8,139,251</u></u>	<u><u>\$ 7,670,564</u></u>

See accompanying Notes to Consolidated Financial Statements.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY (DEFICIT)
YEARS ENDED DECEMBER 31, 2022, 2021, AND 2021

BALANCE - DECEMBER 31, 2019	\$ (2,587,993)
Member Distributions, Net of Contributions	(6,316,159)
Net Income	<u>7,670,564</u>
BALANCE - DECEMBER 31, 2020	(1,233,588)
Distributions to Member, Net of Contributions	(3,140,864)
Net Income	<u>8,139,251</u>
BALANCE - DECEMBER 31, 2021	3,764,799
Distributions to Member, Net of Contributions	(8,154,882)
Net Income	<u>9,448,754</u>
BALANCE - DECEMBER 31, 2022	<u><u>\$ 5,058,671</u></u>

See accompanying Notes to Consolidated Financial Statements.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	\$ 9,448,754	\$ 8,139,251	\$ 7,670,564
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	754,850	579,601	282,504
Paycheck Protection Program Loan Forgiveness	-	-	(1,758,703)
Amortization of Loan Costs	-	-	19,701
Bad Debt Expense	651,139	13,144	25,625
(Increase) Decrease in Assets:			
Accounts Receivable	(756,925)	(246,945)	(199,729)
Prepaid Expenses	565,286	(588,483)	(113,598)
Deferred Franchise Costs	(1,367,957)	(570,942)	(597,443)
Other Receivables	(64,475)	5,875	59,468
Employee Advances	-	-	-
Deposits	(325,333)	(387,380)	(150,500)
Leases	47,658	-	-
Increase (Decrease) in Liabilities:			
Accounts Payable	140,039	55,131	79,501
Credit Cards Payable	(134,008)	(33,954)	137,385
Other Liabilities	(1,688,508)	-	63,742
Accrued Salaries and Wages	(91,130)	102,572	52,638
Customer Deposits	(77,980)	(74,030)	155,820
Deferred Franchise Fees	1,756,488	1,446,297	1,123,122
Deferred Sponsorship and Other Liabilities	28,687	110,826	(341,073)
Net Cash Provided by Operating Activities	<u>8,886,585</u>	<u>8,550,963</u>	<u>6,509,024</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Due from Related Parties	168,745	1,457,794	(750,785)
Purchase of Property, Equipment and Intangible Assets	(942,139)	(700,533)	(249,300)
Net Cash Provided (Used) by Investing Activities	<u>(773,394)</u>	<u>757,261</u>	<u>(1,000,085)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Change in Line of Credit	-	(197,368)	197,368
Due to Related Parties	4,246	(42,253)	(37,332)
Payments on Notes Payable	-	(5,100,000)	(600,000)
Payments on Capital Lease	-	(71,461)	(80,526)
Paycheck Protection Program Loan Proceeds	-	-	1,758,703
Proceeds from Long-Term Debt	-	-	150,000
Distributions to Member, Net of Contributions	(8,154,882)	(3,140,864)	(6,316,159)
Net Change in Restricted Cash	(112,375)	137	133
Net Cash Used by Financing Activities	<u>(8,263,011)</u>	<u>(8,551,809)</u>	<u>(4,927,813)</u>
NET INCREASE (DECREASE) IN CASH	(149,820)	756,415	581,126
Cash - Beginning of Year	<u>4,010,585</u>	<u>3,254,170</u>	<u>2,673,044</u>
CASH - END OF YEAR	<u><u>\$ 3,860,765</u></u>	<u><u>\$ 4,010,585</u></u>	<u><u>\$ 3,254,170</u></u>

See accompanying Notes to Consolidated Financial Statements.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest Paid	<u>\$ -</u>	<u>\$ 24,408</u>	<u>\$ 213,200</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Equipment Received in Exchange for Operating Lease	<u>\$ 2,367,804</u>	<u>\$ -</u>	<u>\$ -</u>
Intangible Assets Transferred from Prepaid Expenses	<u>\$ -</u>	<u>\$ 363,417</u>	<u>\$ -</u>

See accompanying Notes to Consolidated Financial Statements.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

CHHJ Franchising L.L.C. (the Company) is a single member limited liability company formed in the state of Delaware on October 20, 2006. The Company was a wholly owned subsidiary of Friedman and Soliman Enterprises, LLC at December 31, 2020. On January 20, 2021, the outstanding equity interests of the Company were transferred to CHHJ Midco, LLC, as part of a merger under common control.

The Company was formed to grant the rights to own and operate "College Hunks Hauling Junk" and "College Hunks Moving" 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 consolidated 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.

Principles of Consolidation

The consolidated financial statements include the accounts of TRS Camden CHHJ, Inc. (Camden). Camden is owned 99.5% by the Company and is a controlled operating subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation. Minority interest has not been included in the consolidated financial statements as it is not significant to the overall consolidated financial statements.

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.

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.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Due from Related Parties

Trade accounts receivable and due from related parties are periodically evaluated for collectability based on past credit history and current financial condition. The Company uses the allowance method of accounting for bad debts for financial reporting purposes. Uncollectible amounts are charged against the allowance account when such receivables are deemed to be uncollectible. Management considers all accounts receivable and due from related parties at December 31, 2022, 2021, and 2020, to be collectible. Accordingly, the allowance for bad debt is reported at zero.

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.

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 three to 15 years using the straight-line basis. Leasehold improvements are amortized over the shorter of the estimated useful life or the lease term of the related asset. Expenditures for major improvements are capitalized. Maintenance and repairs are expensed.

Intangible Assets

The Company's intangible assets include capitalized software and website development costs and purchased software. Purchased software is amortized on a straight-line basis over its estimated life which is generally three years. Website development costs are accounted for in accordance with Accounting Standards Codification 350-50 *Website Development Costs (ASC 350-50)*. All costs incurred in the planning stage are expensed as incurred, costs incurred in the website application and infrastructure development stage are accounted for in accordance with ASC 350-50 which requires the capitalization of certain costs that meet specific criteria, and costs incurred in the day-to-day operation of the website are expensed as incurred. Website development costs placed into service are subject to straight-line amortization over a two-year period.

The Company accounts for software development costs under Financial Accounting Standards Board (FASB) ASC 350-40, *Internal Use Software*. Software development costs incurred prior to the application development stage are expensed as incurred as research and development expense. Software development costs incurred during the application development stage are capitalized until the software is available for use. The cost of developing routine enhancements is expensed as research and development costs as incurred because the enhancements do not add significant life to the product. Software development costs are amortized on a straight-line basis using the estimated useful life of three years once the application is placed in service. The Company incurred research and development costs related to software of \$1,201,367, \$829,304, and \$430,330 during the years ended December 31, 2022, 2021, and 2020, respectively which is included in 'Other Operating Expenses' in the accompanying consolidated statements of operations.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 ASC 740, 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 consolidated 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, 2022, 2021, and 2020. The tax returns for the years 2016 to 2021 are subject to income tax examination.

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% - 2% of their gross revenues to the fund on a monthly basis. The Company may elect to subsidize the fund to support marketing efforts.

As the Company has an agency relationship with respect to the Fund and the funds collected are only to be used for national, regional and/or local advertising, publicity, and promotion of the CHHJ brands, all amounts collected are recorded as a liability against which the allowable costs are charged. As of December 31, 2022, 2021, and 2020, there was a balance due to/(from) the Fund of approximately (\$1,689,000), (\$5,000), and \$37,000, respectively, which is included in Other Receivables, Current and Other Receivables, net of Current at December 31, 2022 and in Deferred Sponsorship and Other Liabilities' at December 31, 2021 and 2020 in the accompanying Consolidated Balance Sheets.

During the years ended December 31, 2022, 2021, and 2020, the Company collected approximately \$4,901,000, \$4,022,000, and \$2,662,000, respectively, which is included in Other Revenue in the accompanying Consolidated Statements of Operations. In addition, the Company expensed advertising and marketing costs of \$6,589,000, \$4,794,000, and \$2,934,000, respectively, as incurred.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Company recognizes revenue in accordance with *Topic 606, Revenue from Contracts with Customers*. The Company adopted the requirements of the new guidance as of January 1, 2019.

The Company generates revenue primarily through franchise fees, royalties, service fees, and advertising fund revenues.

Franchise Fees

The Company currently franchises its concept across the country. The franchise arrangement is documented in the form of a franchise agreement. The franchise arrangement requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, and substantially all the utility is derived from its association with the Company's past or ongoing activities.

Franchise fees are recognized as revenue ratably on a straight-line basis over the term of the franchise agreement commencing with the execution of the franchise agreement. As these fees are typically received in cash at or near the beginning of the franchise term, the cash received is initially recorded as a contract liability until recognized as revenue over time. Contract liabilities are presented as Deferred Franchise Revenue on the accompanying Consolidated Balance Sheets.

Changes in the Company's contract liability for deferred franchise revenues during the years ended December 31 were as follows:

Balance at January 1, 2019	\$ 4,033,333
Recognized as Revenue During the Year	(1,003,028)
Fees Received and Deferred During the Year	<u>2,126,150</u>
Balance at December 31, 2020	5,156,455
Recognized as Revenue During the Year	(1,120,803)
Fees Received and Deferred During the Year	<u>2,567,100</u>
Balance at December 31, 2021	6,602,752
Recognized as Revenue During the Year	(1,082,037)
Fees Received and Deferred During the Year	<u>2,838,525</u>
Balance at December 31, 2022	<u><u>\$ 8,359,240</u></u>

Deferred Contract Costs

The Company defers certain costs to fulfill franchise agreements, which primarily represent sales commissions, and recognizes them as the associated performance obligations are fulfilled in accordance with *Topic 606*.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Royalties and Advertising Fund Revenue

The Company collects royalties, as stipulated in the franchise agreement, currently equal to 7% of gross sales and a marketing and advertising fee currently 2% of gross sales. Royalties, including franchisee contributions to advertising funds, are calculated as a percentage of bi-monthly sales. The royalties, inclusive of advertising fund contributions, represent sales-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as bi-monthly franchisee store level sales occur. Royalties are collected semi-monthly. Marketing and advertising fees are reported as Other Revenue in the Consolidated Statements of Operations.

Call Center Fees

The Company requires a franchisee to pay to the Company, a support fee for the administration of the First Contact Sales & Loyalty Center (SLC). The support fee ranges from \$799 - \$964 per month. The Support Fee is payable at the same time and in the same manner as the Royalty Fee. In addition to the support fee, franchisees pay an appointment fee per scheduled appointment by the SLC. The appointment fee is billed at the end of the month and is due 10 days after invoice is sent. Revenue is recognized monthly, as services are performed.

Reclassifications

Certain amounts in the 2021 consolidated financial statements have been reclassified to conform to the 2022 presentation. These reclassifications do not affect net income or equity as previously reported.

Adoption of New Accounting Standards

In February 2016, the FASB issued ASC 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the Consolidated Balance sheet. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Company adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption with certain practical expedients available. Lease disclosures for the years ended December 31, 2021, and 2020 are made under prior lease guidance in FASB ASC 840.

The Company has elected to adopt the package of practical expedients available in the year of adoption. The Company has not elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Company's ROU assets.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards (Continued)

As a result of the adoption of the new lease accounting guidance, the Company recognized, on January 1, 2022, a lease liability of \$2,367,804, which represents the present value of the remaining operating lease payments of \$2,645,556, discounted using the Company's incremental borrowing rate of 5.1%, and a ROU asset of \$2,367,804.

The standard had a material impact on the Consolidated Balance Sheets but did not have an impact on the income statements, nor statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases, while the Company's accounting for finance leases remained substantially unchanged.

Leases

The Company leases office space. The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the Consolidated Balance Sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Company has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	2022	2021	2020
Computers and Office Equipment	\$ 717,982	\$ 544,678	\$ 267,648
Furniture and Fixtures	413,982	411,183	402,795
Leasehold Improvements	334,045	304,363	304,363
Vehicles	57,081	57,081	57,081
Total	1,523,090	1,317,305	1,031,887
Less: Accumulated Depreciation and Amortization	(1,378,904)	(1,146,562)	(929,089)
Property and Equipment, Net	<u>\$ 144,186</u>	<u>\$ 170,743</u>	<u>\$ 102,798</u>
Depreciation and Amortization Expense	<u>\$ 232,344</u>	<u>\$ 217,472</u>	<u>\$ 175,623</u>

NOTE 3 INTANGIBLE ASSETS

Intangible assets subject to amortization consisted of the following as of December 31:

	2022	2021	2020
Purchased Software	\$ 749,990	\$ 749,990	\$ 749,990
Software Development	1,306,234	585,782	170,666
Website	446,817	430,917	67,500
Total	2,503,041	1,766,689	988,156
Less: Accumulated Amortization	(1,339,593)	(817,087)	(454,958)
Intangible Assets, Net	<u>\$ 1,163,448</u>	<u>\$ 949,602</u>	<u>\$ 533,198</u>
Amortization Expense	<u>\$ 522,506</u>	<u>\$ 362,129</u>	<u>\$ 106,881</u>

NOTE 4 LINE OF CREDIT

On February 2017, the Company established a line of credit in the amount of \$500,000 with a financial institution with a maturity date of July 15, 2020. Borrowings on the line accrued interest at a variable rate as defined in the line of credit agreement. As of December 31, 2020, the interest rate was 5.5% with an outstanding balance of \$197,368. The line was secured by the assets of the Company and was personally guaranteed by the Parent and its owners. On January 26, 2021, the line of credit was paid in full and closed.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 5 PAYCHECK PROTECTION PROGRAM

On April 17, 2020, the Company received a loan from Valley National Bank totaling \$1,758,703 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The PPP Loan had interest at a fixed rate of 1.0% per annum, had a term of two years, and was unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest was deferred until the date on which the amount of forgiveness was remitted by the SBA to the lender or, if the Company failed to apply for forgiveness within 10 months after the covered period, then payment of principal and interest would begin on that date. These amounts were subject to forgiveness based on compliance with program requirements and approval by the SBA. The covered period from 04/17/20 to 02/17/21 was the time that the business had to spend their PPP Loan funds.

On December 2, 2020, the SBA granted full forgiveness of the principal and accrued interest on the PPP loan. The gain on extinguishment of debt was included in Other Income in the accompanying Consolidated Statements of Operations as of December 31, 2020.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Company's financial position.

NOTE 6 LONG-TERM DEBT

The Company has the following long-term debt payable as of December 31:

<u>Description</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Term loan payable to a bank, due in monthly installments of \$50,000, plus variable interest at a rate monthly LIBOR plus 3.00% until maturity in February 2024, collateralized by personal property of the guarantors.	\$ -	\$ -	\$ 4,950,000
EIDL loan payable to the U.S. Small Business Administration, due in monthly installments of \$731, accruing interest at 3.75% until maturity in May 2050, collateralized by the Company's assets.	-	-	150,000
Total	-	-	5,100,000
Less: Current Portion	-	-	600,803
Long-Term Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,499,197</u>

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 7 COMMITMENTS AND CONTINGENCIES

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.

401(k) 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. Effective August 1, 2019, the 401(k) plan was amended to provide for employer matching contributions of 50% of employee deferrals, up to 3.5% of compensation. During 2022, 2021, and 2020, the Company incurred expense of approximately \$340,000, \$200,000, and \$141,000, respectively, related to this plan which is included in Payroll Taxes and Benefits in the accompanying Consolidated Statements of Operations.

Litigation

From time-to-time, the Company may become involved in various legal matters arising in the ordinary course of business. The effects of all known actual or possible litigation, claims, and assessments have been accounted for in accordance with U.S. GAAP.

Investment in Captive Insurance Company

During 2020, Company invested in a captive insurance company which provides insurance coverage for general liability, automotive, and workers' compensation. The investment is accounted for under the cost method as permitted by accounting principles generally accepted in the United States of America and amounted to \$100 at December 31, 2022, 2021, and 2020, and is included in Prepaid Expenses and Other Assets on the Consolidated Balance Sheets. The Company shares risks with other shareholders invested in the captive insurance company. A component of the captive insurance policies includes reinsurance with a standard insurance carrier to limit any potential liability from catastrophic claims and limit liability from risk sharing with other captive shareholder-insureds. The Company is potentially liable for claims in the event that the other shareholder-insureds do not meet their obligations. There were no estimated liabilities recorded on the Consolidated Balance Sheets related to any potential additional costs for claims from the captive insurance company as no such claims are probable or reasonable estimable as of December 31, 2022, 2021, and 2020.

The Company is also required to maintain certain investments as collateral related to the captive insurance policies which are presented as Insurance Deposits on the Consolidated Balance Sheets.

The Company acts as an intermediary between the captive insurance company and certain franchisees under common control. At December 31, 2022, 2021, and 2020, total collections from these related parties exceeded payments to the captive insurance company in the amount of \$160,583, \$22,298, and \$84,824, which is included as a contra asset in Prepaid Expenses and Other Assets on the Consolidated Balance Sheets.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 8 LEASES – ASC 842

The Company leases office facilities from a related party under a long-term, noncancelable lease agreements that expires June 30, 2039. The facility leases provide for a 3% increase in annual rental payments. Additionally, the agreement requires the Company to pay real estate taxes, insurance, and repairs.

The following table provides quantitative information concerning the Company's leases:

	2022
Operating Lease Cost	\$ 211,872
Sublease Income	(143,195)
Total Lease Cost	<u>\$ 68,677</u>

Other Information:

Weighted-Average Remaining Lease Term - Operating Leases	16.4 Years
Weighted-Average Discount Rate - Operating Leases	5.10%

The Company subleases a portion of the facility to a related party. Total payments made to the Company under the sublease of approximately \$63,000 are included in Other Income in the accompanying Consolidated Statements of Operations for the year ended December 31, 2022.

The Company subleases a portion of the facility to an unrelated party. Total payments made to the Company under the sublease of approximately \$80,000 are included in Other Income in the accompanying Consolidated Statements of Operations for the year ended December 31, 2022.

The Company classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2022, is as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2023	\$ 169,140
2024	174,215
2025	179,441
2026	184,824
2027	190,369
Thereafter	2,645,556
Undiscounted Cash Flows	<u>3,543,545</u>
Less: Interest	<u>(1,220,910)</u>
Present Value of Lease Liabilities	<u>\$ 2,322,635</u>

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 9 OPERATING LEASE AGREEMENTS – ASC 840

The Company elected to apply the provisions of FASB ASC 842 to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the years ended December 31, 2021, and 2020 are made under prior lease guidance in FASB ASC 840.

At December 31, 2021 and 2020, the Company was obligated under a lease with a related party for office space. Rent payments are increased annually, on the anniversary of the commencement date, by 3%. During 2021 and 2020, the Company incurred rent expense of approximately \$159,000 and \$155,000, respectively, related to this lease. The Company subleases a portion of the facility to a related party. Total payments made to the Company under the sublease of approximately \$62,000 each year are included as a reduction of rent expense for the years ended December 31, 2021 and 2020, respectively.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 164,214
2023	169,140
2024	174,215
2025	179,441
2026	184,824
Thereafter	2,835,925
Total	<u>\$ 3,707,759</u>

NOTE 10 RELATED PARTIES

During 2022, 2021, and 2020, the Company generated revenues of approximately \$1,957,000, \$1,790,000, and \$1,375,000, respectively, from franchisees under common control. As of December 31, 2022, 2021, and 2020, the Company had receivables of \$215,000, \$275,000, and \$215,000, respectively, from franchisees under common control which is included in Due from Related Parties, Current Portion in the accompanying Consolidated Balance Sheets. During 2022, 2021, and 2020, the Company did not record any bad debt expense from related parties.

At December 31, 2022, 2021, and 2020, there was approximately \$246,000, \$328,000, and \$96,000, respectively, recorded as Due from Related Parties, Current related to various expense reimbursements and advances.

Due from related parties of approximately \$-0-, \$27,000, and \$1,760,000, at December 31, 2022, 2021, and 2020, 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.

CHHJ FRANCHISING, L.L.C. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

NOTE 11 FRANCHISEES

Information relating to changes in the number of franchisees is as follows:

	2022	2021	2020
In Operation at the Beginning of the Year	151	128	113
Outlets Opened	45	32	27
Terminated or Ceased Operations	(11)	(9)	(12)
Reacquired by Parent Company	(1)	-	-
In Operation at the End of the Year	<u>184</u>	<u>151</u>	<u>128</u>

As of December 31, 2022, there were 19 franchisees that executed agreements but did not intend to start operations until 2023. As of December 31, 2021, there were 21 franchisees that executed agreements but did not intend to start operations until 2022. As of December 31, 2020, there were 16 franchisees that executed agreements but did not intend to start operations until 2021.

NOTE 12 SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 18, 2023, the date the consolidated financial statements were available to be issued.

CHHJ Franchising Q-1 2023 Unaudited Financials

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

Q-1 2023 P&L and Balance Sheet Financials

PROFIT & LOSS		Q1 2023
Revenue		
Royalty		\$3,538,336
Brand Development		\$974,050
Booking Fee		\$1,391,557
Call Center - Flat Fee		\$549,278
SLC Disputes		(\$3,134)
Tech Fee		\$16,247
Initial Sale Fee		\$437,500
Leased Zips		\$12,950
New Zone Purchases		\$12,000
Other Franchise Fees		\$18,231
Camden Fee Income		\$5,545
Penalties		\$17,350
Total Revenue		\$6,969,910
Cost of Sales		
Camden Fee Cost		\$5,545
Broker Commissions		\$168,750
Other Incentives		\$10,000
Internal Sales Commissions		\$72,892
SLC Agents - Wages		\$587,088
SLC Agents In Training		\$98,400
SLC Customer Service Agents		\$39,290
SLC Agents - Bonuses		\$424,198
SLC Agents - Payroll Taxes		\$123,216
SLC Agents - Payroll Fees		\$7,719
SLC Outbound Agent - Web Leads		\$209,023
Total Cost of Sales		\$1,746,121
Gross Profit Before Depreciation		\$5,223,789
Expenses		
Admin		\$38,008
Finance		\$108,128
Franchise Performance		\$298,628
IT		\$126,427
Marketing		\$135,000
HR & Recruiting		\$47,000
SLC Management		\$292,157
Legal & Compliance		\$73,250
Executive		\$338,750
SLC Workforce Management		\$45,031
SLC Trainers		\$74,632
Bonus - SLC		\$88,133
Bonus - Brand Central		\$248,422
National Accounts		\$131,994
Franchise Development		\$45,822
Payroll Taxes		\$174,028
Payroll Fees		\$8,048
401K expense		\$89,995

Q1 2023

Internet Advertising - Reputation Management	\$56,669
Internet Advertising - Branded	\$27,926
Internet Advertising - Display	\$61,407
Internet Advertising - Other	\$207,391
Internet Advertising - Social	\$21,936
Internet Advertising - Yelp	\$166,862
Graphic Design/Video Production	\$22,195
In-Market Advertising	\$8,000
Public Relations	\$18,911
E-mail/Text Marketing	\$162,103
Tracking & Reporting	\$829
Website Development/Maintenance	\$36,896
Printing	\$1,741
Broker Expenses	\$4,500
Office Supplies, Software & Materials	\$192
Office Supplies	\$4,769
Computer Supplies	\$1,664
Postage	\$10,283
Franchise Advertising	\$97,589
Other Marketing Expense	\$150,519
Electricity	\$10,307
Water	\$1,595
Telephone	\$52,404
Cell Phone	\$7,094
Internet	\$19,280
Hosting	\$11,678
Security Alarm Monitoring	\$389
Rent	\$41,660
Ground Transportation	\$5,077
Hotel	\$10,455
Meals	\$7,331
Airfare	\$11,954
Conferences	\$4,493
Health Insurance	\$228,405
General Liability Insurance	\$6,226
Worker's Comp Insurance	\$5,587
Other Insurance	\$13,492
Legal Fees	\$24,729
Consulting	\$12,500
Marketing Vendor Management Fees	\$2,995
Recruiting	\$11,754
Accountants	\$6,000
SEO	\$40,980
Content Creation	\$26
Local SEO	(\$146)
Contractor	\$54,593
Social Media Contractor	\$51,664
Missed Leads Contractor	\$63,850
Bank Fees	\$1,807
Licenses & Permits	\$1,099
Computer Equipment	\$37,105

Q1 2023

Software	\$322,529
Materials Printing	\$297
Dues & Subscriptions	\$8,368
Building Repairs	\$670
Cleaning	\$3,128
HVAC	\$2,200
Landscaping	\$3,241
Donations	\$5,000
Other Miscellaneous Expense	\$2,553
Currency Exchange Loss	(\$458)
Depreciation Expense	\$15,142
Amortization Expense	\$2,024
Professional Development	\$5,767
Broker Costs - Other	\$5,382
Total Expenses	\$4,548,061
Operating Profit Before Depn & Amort.	\$675,728
Other Income	
Social Media Support Agent	(\$39,742)
Missed Leads	\$146,253
Management Fees Income	\$2,250
SLC Outbound Agent - Missed Leads - Wages	(\$54,280)
SLC Outbound Agent - Missed Leads - Bonus	(\$14,086)
SLC Outbound Agent - Missed Leads - Taxes and Fees	(\$6,179)
BDF Contract Income	\$51,664
Interest Income	\$8,572
Other Miscellaneous Income	\$75,955
Lead Sales	\$29,613
Strategic Alliance Costs	(\$53,431)
Vendor Rebates	\$78,014
National Accounts Fees to Zee	\$40,290
National Accounts Admin Fee	\$68
Reward Points Redemption	(\$297)
Other Expenses	
Culture Development	\$17,310
Health and Wellness	\$2,216
Corporate Initiatives	\$6,390
Management Fees	\$3,090
Affiliate Programs	\$6,500
Travel & Parking- Reunion	\$12,825
Hotel- Reunion	\$32,123
Contest Rewards- Reunion	\$15
Prizes and Awards	\$85,272
Bank and Credit Card Processing Fees	\$163
Supplies- Reunion	\$25,492
Entertainment- Reunion	\$26,486
Video- Reunion	\$8,100
Contractors- Reunion	\$83,719
Speakers- Reunion	\$45,749
Venue- Reunion	\$10,000
Meals- Reunion	\$266,434
Sponsors Income	(\$183,200)

	Q1 2023
Fees to Zees	(\$137,500)
Additional Attendees	(\$92,250)
Reunion Penalties	(\$8,250)
EBITDA	\$729,707
Total Depreciation & Amortisation	\$166,581
Earnings Before Interest & Tax	\$563,126
Tax Expenses	
Sales Tax	(\$2,401)
Other Tax	\$243
Earnings After Tax	\$565,284
Net Income	\$565,284

BALANCE SHEET		Q1 2023
ASSETS		
Cash & Equivalents		\$3,880,138
Accounts Receivable		\$2,646,669
Other Current Assets		\$5,340,919
Total Current Assets		\$11,867,725
Fixed Assets		(\$817,317)
Intangible Assets		\$2,188,411
Investments or Other Non-Current Assets		\$3,000
Total Non-Current Assets		\$1,374,094
Total Assets		\$13,241,819
LIABILITIES		
Short Term Debt		\$273,548
Accounts Payable		\$757,952
Other Current Liabilities		\$8,550,425
Total Current Liabilities		\$9,581,925
Other Non-Current Liabilities		\$4,688
Total Non-Current Liabilities		\$4,688
Total Liabilities		\$9,586,612
EQUITY		
Retained Earnings		\$32,931,525
Current Earnings		\$565,284
Other Equity		(\$29,841,602)
Total Equity		\$3,655,206
Total Liabilities & Equity		\$13,241,819

EXHIBIT H TO THE DISCLOSURE DOCUMENT
NATIONAL ACCOUNTS PROGRAM PARTICIPATION AGREEMENT



CHHJ Franchising, LLC

NATIONAL ACCOUNTS PROGRAM PARTICIPATION AGREEMENT

This Amendment is between **CHHJ Franchising, LLC**, a Delaware limited liability company with its principal office at 4411 West Tampa Bay Boulevard, Tampa, Florida 33614 (**'Franchisor'**) and _____ (the **'Participating Franchisee'**).

BACKGROUND INFORMATION:

A. Franchisor and Franchisee entered into a Franchise Agreement dated _____, 20__ (the **'Franchise Agreement'**) whereby the Franchisee has been granted the right to carry on a Franchised Business in the College Hunks Hauling Junk® and College Hunks Moving® franchise system (the **'System'**).

B. The existence of multiple franchisees in the System creates opportunities to enter into accounts with other entities that have locations in more than one territory in the System or that qualify for corporate pricing for commercial services, as determined by Franchisor (each, a **'National Account'**), to benefit the Participating Franchisees by leveraging the national scope of the System.

C. The establishment of National Accounts is best facilitated by the establishment of a program, upon the terms set out herein and as described in the Manual, whereby Franchisor will have the authority to negotiate National Accounts on behalf of the System as a whole, whether acting as agent or as principal (the **'Program'**).

OPERATIVE TERMS:

Now, therefore, Franchisor and Franchisee agree as follows:

1. Interpretation. All capitalized terms not otherwise defined herein shall have the same meaning as under the Franchise Agreement.

2. Agency or General Contractor. Franchisor or an affiliate may enter into National Account agreements as agent or as general contractor as follows:

(a) Where Franchisor enters into a National Account agreement as agent, it shall act on behalf of Participating Franchisee, and Participating Franchisee hereby appoints Franchisor as its attorney-in-fact to do so.

(b) Where Franchisor enters into a National Account agreement as general contractor, it shall enter into such agreement as principal, and may subcontract the services to such National Account to Participating Franchisee, provided that Participating Franchisee services such National Account in accordance with the terms and conditions of the particular National Account agreement.

3. National Accounts Terms. Franchisor may enter into National Account agreements upon any terms it determines, in good faith, to be commercially viable for the System, including, without limitation:

(a) The provision of discounts to the National Account off of regular retail pricing, whether or not based upon volume.

(b) The payment of commissions to the Franchisor or its designee, whether on a one-time or on an ongoing basis, for products and/or services provided by Franchisee to the National Account.

(c) The establishment of fixed pricing or pricing models unique to the National Account.

(d) The provision of service levels or standards unique to the National Account, including, without limitation, the requirement to provide service within required time periods or the provision of regularly scheduled service.

(e) The provision of centralized billing and/or other administrative services for the National Account through Franchisor or its affiliate.

(f) The requirement for Participating Franchisee to obtain required insurance policies and minimum insurance levels, including the addition of the National Account or Franchisor's designee as a named insured or an additional insured on applicable insurance policies.

(g) The requirement that Participating Franchisee comply with any additional terms of service required by the National Account, including, but not limited to, employee training and investigation, reporting, and invoicing procedures.

4. Acknowledgements. Participating Franchisee acknowledges and agrees to the following:

(a) Franchisor may discontinue the Program for any reason, at any time.

(b) Participating Franchisee may elect to withdraw from the Program upon 30 days written notice to Franchisor, provided that Participating Franchisee acknowledges that withdrawal from the Program will result in Participating Franchisee being precluded from servicing any National Account, and will allow Franchisor to offer other franchisees or other third parties the opportunity to service National Accounts in Participating Franchisee's Territory, with no liability or compensation to Participating Franchisee.

(c) Franchisor may at any time terminate Participating Franchisee from the Program or from a particular National Account, effective upon notice to Participating Franchisee, if (i) Participating Franchisee commits a default under the applicable National Account agreement, whether or not such default amounts to a material default under the terms of the Franchise Agreement; (ii) a National Account customer complains about or is otherwise not satisfied with Participating Franchisee's service or conduct, regardless of the merit of such customer's position; (iii) Franchisor determines in its sole discretion that Franchisee's Participation in the National Account Program could impair the Franchisor's or other franchisees' reputation or relationship with other customers; or (iv) Participating Franchisee otherwise fails to service a particular National Account strictly in accordance with the applicable terms and conditions set forth in the National Account agreement, Franchisor's Manual or other instructions communicated by Franchisor to Participating Franchisee.

(d) Franchisor makes no representation to Participating Franchisee that any particular National Account will be of any direct or indirect benefit to Participating Franchisee, or that Participating Franchisee will in fact have the opportunity to service any National Account.

(e) Franchisor may set off applicable Continuing Royalty Fees or any other amounts owing to Franchisor from any payments owed by Franchisor to Franchisee on account of any services provided to a National Account.

(f) Franchisor may assign this Agreement to any of its affiliates or any third party, without obtaining the prior consent of Participating Franchisee.

(g) Franchisor may include such other terms from time to time as may be set out in the Manual.

(h) Upon providing Participating Franchisee with written notice of such intention, Franchisor (or its affiliate) may enter into and service National Account contracts or strategic alliance contracts with businesses that have locations within the Designated Territory, regardless of whether Participating Franchisee previously serviced such businesses in the past. Participating Franchisee may be required by Franchisor to service the National Account locations in Franchisee's Designated Territory by agreeing to participate in Franchisor's National Account Program and signing Franchisor's then-current National Account Program Participation Agreement, as well as performing under the terms and conditions of the applicable agreement between Franchisor or its affiliate(s) and the National Account, which agreement shall be negotiated and entered into by Franchisor in its sole discretion. If Participating Franchisee fails to agree or is unable to service such National Account(s), Franchisor may engage other franchisees or third-parties to service such accounts in Franchisee's Designated Territory, or may service such accounts itself or through an affiliate, without liability or compensation to Participating Franchisee;

(i) Franchisor may charge, and Participating Franchisee agrees to pay, a commission on such National Accounts, in addition to the Continuing Royalty Fee, as a cost of securing and/or servicing such National Account. Such a commission will not exceed the cost that the Franchisor has set for appointment fees.

(j) Participating Franchisee may receive, at the discretion of the Franchisor, a commission on National Accounts that Participating Franchisee is responsible for recruiting into the National Accounts program.

5. Binding Effect: This Agreement is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns. This Agreement may not be assigned by Participating Franchisee without Franchisor's prior written consent.

6. Governing Law. This Agreement is governed by Florida law. The parties will not institute any action against any of the other parties to this Agreement except in the state or federal courts of general jurisdiction located 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 nor venue of such courts.

_____ elects to participate in the College Hunks Hauling Junk® and College Hunks Moving® National Accounts Program and agrees to its terms.

“FRANCHISOR”:

CHHJ FRANCHISING, L.L.C.

“PARTICIPATING FRANCHISEE”:

By:_____

By:_____

Print Name:_____

Print Name:_____

Title:_____

Title:_____

Date:_____

Date:_____

[Signature Page to National Accounts Program Participation Agreement]

EXHIBIT I TO THE DISCLOSURE DOCUMENT

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

By: ____

Name: _____

Title: _

Dated: _____

CHHJ FRANCHISING L.L.C.

By: ____

Name: _____

Title: _

Dated: _____

EXHIBIT J TO THE DISCLOSURE DOCUMENT
FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

THIS DOCUMENT WILL NOT BE SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE FRANCHISE IS SUBJECT TO THE STATE FRANCHISE REGISTRATION/DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

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.

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____

I had my first face-to-face meeting with a Franchisor representative on_____,
20_____.

Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes____No____

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.)

Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes___No___

Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes___No___

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.)

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___

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___

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___

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___

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___

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___

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___

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___

Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes___ No___

Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

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** Sign here if you are taking the franchise as a

INDIVIDUAL

Signature

Print Name

Signature

Print Name

Signature

Print Name

Signature

Print Name

CORPORATION, LIMITED LIABILITY INDIVIDUAL COMPANY OR PARTNERSHIP

Print Name of Legal Entity

By: _____

Signature

Print Name

Title

EXHIBIT K TO THE DISCLOSURE DOCUMENT
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	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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

RECEIPT

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.

Michigan law requires that CHHJ Franchising L.L.C. give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or they payment of any consideration, whichever occurs first. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

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 listed in Exhibit A.

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.

Issuance Date: April 18, 2023

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
Kelsie Ackman	4411 W Tampa Bay Blvd, Tampa, Florida 33614	(800) 586-5872
Dana Hansen	4411 W Tampa Bay Blvd, Tampa, Florida 33614	(800) 586-5872
Carol Toffolon	4411 W Tampa Bay Blvd, Tampa, Florida 33614	(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. I received a Disclosure Document dated April 18, 2023.

The state effective dates are listed in Exhibit L. The Disclosure Document included the following Exhibits:

A – State Agencies/Agents for Service of Process	G – Financial Statements
B – State Specific Addenda	H – National Accounts Program Participation Agreement
C – Franchise Agreement with Exhibits	I – General Release
D – List of Current Franchisees	J – Franchisee Disclosure Acknowledgment Statement
E – List of Franchisees Who Have Left the System	K – State Effective Dates
F – Table of Contents of Operations Manual	

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.

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.

Michigan law requires that CHHJ Franchising L.L.C. give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or they payment of any consideration, whichever occurs first. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

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 listed in Exhibit A.

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RETURN THIS COPY TO US