

EXHIBIT 2

Franchise Agreement with Appendices A (Authorized Trademarks and Product Offerings), B (Designated Territory and Minimum Local Billing and Venue Requirements), C (Revenue Sharing), D (Draft Authorization) and E (Software License Agreement)

ALLOVER MEDIA™
FRANCHISE AGREEMENT
BETWEEN
ALLOVER MEDIA FRANCHISING, INC.
AND

Name(s) of Franchisee

Street

City	State	Zip
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Telephone

YOUR DESIGNATED TERRITORY:

| © 2005-2006 AllOver Media Franchising, Inc. (as amended 10/05)

FRANCHISE AGREEMENT

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Appendices:

Appendix A	AUTHORIZED TRADEMARKS AND PRODUCT OFFERINGS
Appendix B	DESIGNATED TERRITORY; MINIMUM LOCAL BILLING AND VENUE REQUIREMENTS
Appendix C	REVENUE SHARING
Appendix D	DRAFT AUTHORIZATION
Appendix E	SOFTWARE LICENSE AGREEMENT

Addenda:

CONVERSION ADDENDUM
ACKNOWLEDGMENT ADDENDUM

ALLOVER MEDIA™ FRANCHISE AGREEMENT

This Franchise Agreement (“Agreement”) is made this ____ day of _____, 20____ between AllOver Media Franchising, Inc., a Minnesota corporation with its principal business address at 7351 Kirkwood Lane North, Suite 100, Maple Grove, Minnesota 55369 (“we” or “us”), and _____, a(n) _____ whose principal business address is _____ (“franchisee” or “you”).

RECITALS

A. We and our predecessors have expended considerable time, effort, skill and financial resources in developing and establishing the ALLOVER MEDIA™ System, as defined below.

B. We are the owner of the ALLOVER MEDIA service mark and other trademarks, trade names and commercial symbols (“Trademarks,” as defined below and in Appendix A) used in connection with the System.

C. You wish to obtain the right to use the System and Trademarks in the operation of your ALLOVER MEDIA Business, as defined below.

D. You have had a full and adequate opportunity to be advised thoroughly of the terms and conditions of this Agreement by legal counsel or other advisors, and have had sufficient opportunity to evaluate and investigate the System, the financial investment requirements, and the business risks associated with owning and operating an ALLOVER MEDIA business.

In consideration of the foregoing and the covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the terms set forth below have the following definitions:

A. “Advertising Space Rental” (“ASR”) means the fee that an advertiser pays to display an advertising campaign for a specific time frame. ASR includes but is not limited to LCD advertising, indoor print advertising, taxi top advertising and gas pump advertising.

B. “Business” means your ALLOVER MEDIA Business developed and operated pursuant to this Agreement. Your Business licensed under this Agreement contains our distinctive advertising concepts that include standards, specifications and procedures for operations, consistency and uniformity requirements for the

advertising products and services offered, as well as training, assistance, advertising and promotional programs, and propriety software.

C. “Confidential Information” means our proprietary information, knowledge and know-how, including processes, materials, methods, procedures, suggested selling and techniques, specifications and other data concerning the methods of operation for your Business.

D. “Cross Sales” means the sale of an ad placement that originates from a client located in the designated territory of one franchisee (the “originating franchisee”), but is placed in a venue located in another franchisee’s (the “local franchisee”) designated territory, and both territories are contained in the same Metropolitan Statistical Area (“MSA”), as further described in the Manuals.

E. “Designated Territory” means the geographic area described in Appendix B in which we grant you the right and license to operate your Business.

———F. “Gross Revenue” means revenue you derive from Local Billings, Cross Sales (excluding Cross Sales that another franchisee places in your Designated Territory), National Account Sales and any other revenue that you derive from the operation of your Business.

G. “Local Billings” means the total dollar sales you derive from sales to clients of your Business, and all cash and credit sales you invoice of every kind and nature made at, from, by or in connection with your Business including all invoiced sales, revenues and income from: (a) ASR; (b) all products and services; and (c) 50% of the fair market value of all “trade” received by you in exchange for advertising services, as we define “trade” and “fair market value” by us from time to time. Local Billings include sales to clients located in your Designated Territory for placement in Venues located in your Designated Territory. Local Billings also include revenues from Cross Sales that you place in another franchisee’s designated territory. Local Billings will not include any revenues from National Account Sales or revenues from Cross Sales that another franchisee places in your Designated Territory, or any sales, use or gross receipts tax imposed by any federal, state, municipal or governmental authority directly upon sales.

H. “Manuals” means the confidential “Getting Started Manual,” “Operations Manual,” “Sales Manual,” “Business Management Manual,” “Information Technology Manual” and other written materials provided to you relating to services and products offered as part of your Business, or the financial management, equipment, facility and operations of your Business. We may revise and update the Manuals from time to time.

I. "National Account Sales" means any sale of advertisements placed in more than one designated territory and the corresponding MSAs.

J. "System" means the ALLOVER MEDIA System, which consists of the operation of an ALLOVER MEDIA business using our distinctive and proprietary products and services under our Trademarks and utilizing certain distinctive types of supplies, services, sales techniques and procedures, and marketing programs, all of which we may modify and change from time to time.

K. "Trademarks" means the ALLOVER MEDIA service mark that has been registered with the United States Patent and Trademark Office and the other trademarks, service marks, and trade names set forth in Appendix A, as we may modify and change from time to time, and the trade dress and other commercial symbols used in your Business. Trade dress includes the designs, color schemes and image we authorize you to use in the operation of your Business from time to time.

L. "Venue" means the locations in which you place ads, including but not limited to sports bars, family restaurants, nightclubs, health clubs, theaters, apartment buildings, tanning salons, convenience stores, gas stations and arenas. A sample list of potential venues is contained in our Manuals.

GRANT OF LICENSE

2. The following provisions control with respect to the license granted to you:

A. Rights Granted. We hereby grant to you, subject to the terms and conditions of this Agreement, the right and license to engage in and conduct an ALLOVER MEDIA Business identified by the Trademarks set forth in Appendix A. Your rights and license to conduct your Business are limited to the authorized product offerings set forth in Appendix A that we authorize for your use hereunder for your Designated Territory. We and you may agree in writing to expand your Designated Territory for a fee equal to ~~\$500~~750 per 10,000 population, provided the additional territory is contiguous and at the time of the expansion you are in compliance with the terms and conditions of this Agreement.

You hereby accept this license and undertake the obligation to operate your Business faithfully, honestly and diligently, using the System in compliance with our standards and requirements for the System. You agree to maintain and operate your Business under your active and continuous supervision and management. You may not commence operations of your Business until you successfully complete our training program and we have approved the commencement date of operations. The license granted in this Agreement is limited to the right to operate your Business only within your Designated Territory and may not be used

elsewhere or at any other location by you, except as we expressly authorize in this Agreement or in writing from time to time.

If neither we nor a franchisee operates in a neighboring territory contained in your MSA, we may permit you to service clients and Venues outside of your Designated Territory, so long as the client and Venue is in the same MSA as your Designated Territory. In such instances, we reserve the right to require you to cease servicing those clients and Venues located outside your Designated Territory, and you agree to work diligently to assist in transferring the service needs of those clients and Venues immediately to the entity (whether us or a franchisee) that will continue to service those clients and Venues. We or the franchisee will have the choice to purchase from you any display boards (at depreciated cost) located at those Venues or replace them with new display boards. We or the new franchisee will assume the obligations associated with those clients and Venues. Other than any payments for the display boards, you will receive no compensation with respect to those clients and Venues outside your Designated Territory.

Although you are granted a Designated Territory and may not solicit business outside your Designated Territory, you may have clients that, although located in your Designated Territory, may wish to place ads outside of your Designated Territory. If these clients wish to advertise only in your Designated Territory and a neighboring franchisee's designated territory contained in the same MSA, then this sale is deemed a "Cross Sale" and you serve as the originating franchisee. As the originating franchisee, you are responsible for billing the advertiser, collecting payments, paying the production charges to us, and paying the appropriate percentages to us and to the local franchisee, as described in Appendix C. If these clients wish to advertise outside the MSA covering your Designated Territory, then this sale is deemed a "National Account Sale." You must obtain our prior written approval prior to selling a National Account Sale. Further, because of the nature of National Account Sales, we have the right to deny you the approval to sell the National Account Sale and we may handle this sale through our corporate headquarters. You acknowledge that other franchisees will have the right to offer Cross Sales into your Designated Territory and you will serve as the local franchisee. If acting as the local franchisee, you are responsible for securing lease sites, rent payments, purchasing all display boards, shipping charges and general maintenance of the ad campaign. As further described in Subparagraphs 2.B and 6.D, we have the right to sell National Account Sales in your Designated Territory, whether the client is located in your Designated Territory or wishes to place an ad in your Designated Territory. You also acknowledge other franchisees may be approved for National Account Sales into your Designated Territory.

You will be compensated for National Account Sales and Cross Sales in accordance with Appendix C - Revenue Sharing.

You do not have the right to subfranchise, sublicense, assign or transfer your rights under this Agreement, except as specifically provided in this Agreement.

B. Territory Rights; Our Reservation of Rights. During the term of this Agreement and provided that you are in compliance with the terms and conditions of this Agreement, we will not (i) modify your Designated Territory without your written permission, or (ii) establish either a company-owned or franchised advertising production and placement business within your Designated Territory under the ALLOVER MEDIA Trademark or any other trademark or name. Except as stated in (ii) in the preceding sentence, we or our affiliates reserve the right in your Designated Territory to establish other company-owned or franchised businesses or distribute products or services through alternative channels of distribution using trademarks other than the ALLOVER MEDIA Trademark. Further, we have the absolute right to solicit, sell and enter into advertising contracts with National Account Sales, regardless of where the National Account Sale originates or is located.

You acknowledge and agree that (i) we and our affiliates have the right outside of your Designated Territory to grant other franchises or develop and operate company or affiliate owned ALLOVER MEDIA businesses and offer, sell or distribute any services or products associated with the System (now or in the future) under the Trademarks or any other trademarks, service marks or trade names or through any distribution channel or method, all without compensation to any franchisee; and (ii) other than an advertising production and placement business in your Designated Territory, we and our affiliates have the right to operate and franchise others to operate any business within and outside your Designated Territory under trademarks other than the ALLOVER MEDIA Trademark, without compensation to any franchisee.

C. Minimum Local Billing and Venue Requirements. In order to meet our goals for market penetration and for the growth of your Business, you agree to be bound by the Minimum Local Billing and Venue Requirements as set forth in Appendix B. As further described in Appendix B, the annual Local Billing requirements and number of Venues will be established for each year of the term of this Agreement. "Year" or "yearly" for purposes of the Minimum Local Billing and Venue Requirements will mean the consecutive twelve months commencing with the first full month following the effective date of this Agreement and every twelve month period thereafter. The Minimum Local Billing and Venue Requirements are based on market potential and market share for your Designated Territory, the growth rate of other ALLOVER MEDIA businesses and other relevant factors.

You understand that meeting the annual Minimum Local Billing and Venue Requirements does not suggest that you are sufficiently penetrating the market in your Designated Territory or that your Business will be successful. Rather, the Minimum Local Billing and Venue Requirements are threshold

minimum amounts. Failure to meet the Minimum Local Billing and Venue Requirements is a default under this Agreement. Further, should you fail to meet the Minimum Local Billing and Venue Requirements, we reserve the right to reduce the size of your Designated Territory.

TRADEMARK STANDARDS AND REQUIREMENTS

3. You hereby acknowledge and agree that the Trademarks are our property and that your right to use the Trademarks is specifically conditioned upon the following terms and conditions:

A. Trademark Ownership. The Trademarks are our valuable property, and we are the exclusive owner of all right, title and interest in and to the Trademarks and all past, present or future goodwill of your Business conducted within your Designated Territory that is associated with or attributable to the Trademarks. Your use of the Trademarks will inure to our benefit. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest our rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media. Further, we reserve the right to require you to cease placing certain types of ads or placing any ads in certain types of venues if we determine that the ads or the locations harm the goodwill associated with the Trademarks.

B. Trademark Use. You may not use, or permit the use of, any trademarks, trade names or service marks in connection with your Business, except those set forth in Appendix A or except as we otherwise direct in writing. You must use the Trademarks only in connection with such products and services as we specify and only in the form and manner we prescribe in writing. You must comply with all trademark, trade name and service mark notice marking requirements. You must use the Trademarks only in association with products and services approved by us and that meet our standards or requirements with respect to quality and production, service standards and methods of operation. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity in the matters described in this Subparagraph.

C. Business Identification. You must use the name ALLOVER MEDIA as the trade name of your Business and no other mark or words may be used to identify your Business without our prior written consent. You may not use the words ALLOVER MEDIA or any of the other Trademarks as part of the name of your corporation, partnership, limited liability company or other similar entity. You must hold yourself out to the public as an independent contractor operating your Business pursuant to a license from us.

You must clearly indicate on your business checks, stationery, purchase orders, receipts, and other written materials that you are the owner of your Business

and that you are an ALLOVER MEDIA franchisee. You may use the Trademarks on various materials, such as business cards, stationery, purchase orders and checks, provided you: (i) accurately depict the Trademarks on the materials; (ii) include a statement on the materials, in immediate proximity to the Trademark, indicating that you independently own and operate your Business; and (iii) do not use the Trademarks in connection with any other trademarks, trade names or service marks unless we specifically approve it in writing prior to the use. You must purchase all trademarked items from us.

D. Litigation. In the event any person or entity improperly uses or infringes the Trademarks, we will control all litigation and we have the right to decide as to whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware. You must promptly inform us of any claim arising out of your use of any Trademark and must, without compensation, cooperate with us in any action we undertake. We or our affiliate will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Trademarks in violation of this Agreement, in which case you must reimburse us for our fees and expenses.

E. Changes. You may not make any changes or substitutions to Trademarks unless directed by us in writing. We reserve the right to change the Trademarks at any time. Upon receipt of our notice to change the Trademarks, you must cease using the former Trademarks and commence using the changed Trademarks, at your expense.

TERM OF FRANCHISE; FRANCHISEE'S RIGHT TO RENEW

4. The term of the license granted in this Agreement is for a period of 10 years from the date of this Agreement. You have the right to renew your license for one 10 year term, provided that you have met the following conditions:

(i) you must give written notice to us not less than 6 months prior to the end of the expiring term of your intent to renew the license. You must execute the then-current form of franchise agreement and all other agreements, legal instruments and documents then customarily used by us in the renewal of franchises. These agreements, legal instruments and documents may vary materially from those agreements, legal instruments and documents currently in use by us. There will not be, however, another initial franchise fee charged for renewal of the license. Your failure or refusal to execute such agreements, instruments and documents within 30 days after their delivery to you will be deemed an election by you not to renew the license;

(ii) you are in compliance with all of the terms and conditions of this Agreement and are in compliance with our operating and quality standards and requirements;

(iii) you have satisfied, prior to renewal, all monetary obligations owed by you to us, our affiliates or your suppliers or creditors, whether pursuant to this Agreement or otherwise;

(iv) you have agreed, in writing, to make such reasonable expenditures necessary to replace and modernize your display boards and all items displaying the Trademarks so that your Business will conform to our then-current standards;

(v) you attend any training program, at your expense, that we deem necessary for you to operate your Business in accordance with our then-current standards;

(vi) you have continuously and actively operated your Business and you are able to maintain possession of the premises of your Business or you are able to secure and develop suitable substitute premises approved by us;

(vii) You pay to us a renewal fee of \$1,000; and

(viii) you and your personal guarantors sign a general release of claims in a form we prescribe.

OFFICE STANDARDS AND MAINTENANCE

5. The following provisions control with respect to your premises:

A. Location. You must, at your expense, provide the premises where you will locate and operate your Business. You may operate your Business out of your residence. We must consent to your Business's location. Your residence or office must be located in your Designated Territory. The office must be constructed, maintained and operated in accordance with our specifications and standards that we establish periodically pertaining to signage, fixtures, accessory features and design and layout. We make no guarantees concerning the success of your Business located at any site consented to by us. You are solely responsible for obtaining all necessary permits and/or licenses, and in all other respects complying with applicable legal requirements relating to your Business. You must not use the office premises for any purpose other than the operation of your Business without our prior written approval.

B. Business Telephone Line; Answering Service. In the event you operate your Business out of your residence, you must have a business telephone number (separate from your home phone number) assigned to your Business. When your Business is not staffed during regular business hours, you must use an answering service or answering machine.

C. Relocation. Should it become necessary, on account of condemnation, sale or other cause, including expiration or cancellation of your lease, to relocate your Business location, we will grant you authority to do so at a site acceptable to us that is in your Designated Territory and that is reasonably suited for your Business; provided that your Business is open and operating within 30 days after closing at the previous location, in accordance with our current standards at that time. You must provide uninterrupted telephone service to your clients during the transition.

OPERATIONS STANDARDS AND REQUIREMENTS

6. You acknowledge and agree that we have established and may revise, from time to time, quality standards regarding the operations of ALLOVER MEDIA businesses so as to protect the distinction, goodwill and uniformity symbolized by the Trademarks and the System. Accordingly, you agree to maintain and comply with our quality standards and requirements for the System and agree to the following terms and conditions:

A. Approved Product Offerings; Approved Products and Services. You may sell only those product offerings we have authorized in Appendix A in connection with the Trademarks and Business. The product offerings may vary depending on the location of your Designated Territory. Further and in accordance with non-compete restrictions imposed upon us by a third party, you may be restricted from displaying certain products within certain venues depending on the location of your Designated Territory. Appendix A will identify any limitations on your ability to offer an authorized product as it relates to our non-compete restrictions. We also will designate approved products and services that you will use in your Business. Approved products and services are those items we determine meet our standards and specifications of quality required to protect the valuable goodwill and uniformity symbolized by and associated with the Trademarks and Business. These products and services meet standards and/or specifications prescribed by us, which we may modify from time to time. You must conform to all quality and customer service standards we prescribe in writing, including ad content and advertising standards. You agree to promote and market, actively and aggressively, your Business, products and services within your Designated Territory.

B. Vendors and Suppliers. You must purchase certain approved products and services from approved vendors and suppliers, including all printing, design, laminating, display frames and boards, labels, envelopes and all other materials related to the creation, production and posting of ads. You acknowledge that we may designate a single source of supply for approved products and that we or an affiliate may be that source. For instance, we are the only approved supplier for all Trademark items (letterhead, business cards, etc.). Upon request, we will provide and update you with a written list of the approved products and services, which list will include approved suppliers for many of the items. **ALTHOUGH APPROVED BY US, WE MAKE NO WARRANTY AND EXPRESSLY**

DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED PRODUCTS.

C. Display Boards. You are responsible for all installation costs, construction costs, permits, licenses, repairs, maintenance, utilities, insurance, taxes, assessments and levies in connection with the installation or use of the display boards. You must comply with all federal, state and local laws, regulations, building codes and ordinances relating to the installation, maintenance and use of the display boards.

You may not alter, remove, change, modify, or redesign the display boards without our written approval. We have the right to redesign the plans and specifications for the display boards during the term of this Agreement without your approval or consent. Upon receipt of written notice from us, you must, at your expense, either modify or replace the display boards within 30 days so that the display boards used at Venues will comply with our redesigned display board plans and specifications.

D. National Account Sales. You agree to follow the policies and procedures with respect to National Account Sales as set forth in the Manuals and Section 6.N below. The Manuals will set forth the procedures, policies and other terms and conditions regarding National Account Sales. We also will provide you with information in order to service National Account Sales in your Designated Territory in compliance with the terms of our agreement with the National Account Sale. If we have a National Account Sale in your Designated Territory, but you fail to properly secure the necessary venues, we reserve the right to enter your Designated Territory to secure and lease those venues necessary to fulfill the National Account Sale. You acknowledge and agree that you must pay for all direct costs (rent, materials, travel expenses, installation cost, etc.) related to your failure to properly secure the venues. Your failure to service the National Account Sale in accordance with all applicable terms and conditions also will be a default of your obligations under this Agreement.

E. Manuals. To help protect our reputation and goodwill and to maintain uniform operating standards under the Trademarks and System, you must conduct your Business in accordance with the required standards and procedures contained in our Manuals and created for use in the operation of your Business. Any required standards exist to protect our interest in the System and the Trademarks and not for the purpose of establishing any control, or the duty to take control, over those matters that clearly are reserved to you.

You acknowledge having received one copy of the Manuals on loan from us for the term of this Agreement. You must at all times treat and maintain the Manuals and the information contained therein and any other proprietary information created for or approved for use in the operation of your Business as secret and confidential.

The Manuals will at all times remain our sole property. We may from time to time revise the contents of the Manuals and you expressly agree to comply with each new or changed standard. You must at all times insure that your copy of the Manuals is kept current and up to date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals we maintain will be controlling. You acknowledge and agree that in the future the Manuals and other system communications may only be available on the internet, our intranet system or other online or computer data transfer communications, as described in Subparagraph 6.M.

F. Operating Procedures. The Manuals contain both requirements and recommendations for the operation of your Business. You must adopt and use the required standards, procedures, techniques and systems described in the Manuals. We will revise the Manuals and their standards, procedures, techniques and systems periodically to meet changing conditions of operation in the best interest of all businesses operating under the Trademarks.

G. Confidential Information. You and your personal guarantors (as described in Subparagraph 16.F) must not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person or entity any Confidential Information, except to such employees as must have access to it to operate your Business. Any and all Confidential Information must not be used for any purpose other than conducting your Business in your Designated Territory. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons owning any ownership interest in your Business and from other key employees. You must provide copies of the executed agreements to us upon request.

H. Client Information. If we request, you must provide us with an up-to-date client list and copies of client invoices in the form we prescribe. You must submit this information through our required method, which may in the future include an extranet or intranet system or other online communications as we prescribe. We have the right to contact your clients to ascertain your quality of work and the level of customer satisfaction.

I. Evaluations. We or our authorized representatives have the right to enter your Business premises at all reasonable times during the business day for the purpose of making periodic evaluations and to ascertain whether you are observing the provisions of this Agreement, to inspect and evaluate your premises used for your Business, to observe completed work and accompany you on sales and service calls, and to evaluate your products and services.

J. Adaptations. Complete and detailed uniformity under many varying conditions may not always be possible or practical, and we reserve the right to vary the standards for any franchisee based upon the customs or circumstances of a particular territory, density of population, existing business practices, or any condition that we deem to be of importance to the operation of the franchisee's

business. You will not be entitled to require us to grant to you a like or other variation hereunder on account of any variation from standards, specifications and practices granted to any other franchisee. You acknowledge and agree that we have the right to make periodic modifications or rescind any requirement, standard or specification under this Agreement as may be necessary in order to adapt our System to changing conditions and competitive circumstances.

K. Continuous Operation of Business. You acknowledge and agree that if your Business is closed or otherwise not operated for the time as set forth in the Manuals without our prior written consent, the closure or failure to operate will constitute your voluntary abandonment of the franchise, and we have the right, in addition to other remedies provided for herein, to terminate this Agreement and the franchise operated hereunder. Acts of God, war, strikes or riots preventing you temporarily from complying with the foregoing will suspend compliance therewith for the duration of the interference.

L. Compliance with Law. You must at all times conduct your Business in compliance with all applicable laws, regulations, codes and ordinances. You recognize that it is your responsibility to understand and comply with all such laws, regulations, codes and ordinances and some of these may restrict your ability to offer certain product offerings in your Designated Territory, such as taxicab or gas pump advertising. You acknowledge that you are an independent business and are solely responsible for control and management of your Business, including such matters as hiring and discharging your employees. You acknowledge that we have no power, responsibility or liability in respect to employee relations issues including hiring, discharge and discipline, and related matters. You must promptly notify us of any claim or litigation in which you are involved that arises from the operation of your Business.

M. Participation in an Internet Web Site or Other Online Communications. We require you, at your expense, to participate in our ALLOVER MEDIA web site as well as any intranet or extranet system we may develop. We have the right to determine the content and use of our web site and our extranet/intranet system and will establish the rules under which franchisees may participate. You may not separately register any domain name or operate any web site containing any of the Trademarks, nor marketing or selling products or services similar to our products and services, without our written approval. We will retain all rights relating to our web site and our extranet/intranet system and may alter or terminate our web site or our extranet/intranet system without prior notice to you. Your general conduct on our web site, our intranet system or on other online communications and specifically your use of the Trademarks or any advertising on any web site or other online communications is subject to the provisions of this Agreement. You acknowledge that certain information obtained through your participation in our web site and our extranet/intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our web site and our extranet/intranet system or otherwise use the Trademarks or System on the

internet or other online communications will terminate when this Agreement expires or terminates.

N. Suggested Pricing Policies. We may, from time to time, make suggestions to you with regard to your pricing policies. Except as to National Account Sales, you have the right to set the minimum prices you charge for the services offered at your Business. It is furthermore understood and agreed that any list or schedule of prices furnished to you by us may, unless otherwise specifically stated as to the maximum price, be treated as a recommendation only and failure to accept or implement any such suggestion may not in any way affect the relationship between you and us. We do have the right to establish maximum prices.

As it relates to National Account Sales, we have the right to establish, to the maximum extent permitted by law, the price to be charged by you for services provided to National Account Sales. We also have the right to establish National Account Sale programs whereby we sell or provide services to the National Account Sale and you, in turn, sell or provide your services to us at prices established by us and serve as our agent in servicing the account, as more fully set forth from time to time in our Manuals.

PERSONNEL AND TRAINING STANDARDS

7. The following provisions and conditions control with respect to personnel, training and supervision.

A. Supervision of Your Business. Your Business must at all times be under your direct supervision or a designated principal owner in the event you are a corporation, partnership, or other business entity. Your principal owners must be those persons who are actively involved in your Business and the principal owners must be personal guarantors and sign an undertaking and guarantee in accordance with Subparagraph 16.F of this Agreement.

B. Training. You must, at your expense for room, board and travel, attend and successfully complete our ALLOVER MEDIA training program at a place we designate. The training program may vary depending on the type of products and services you offer. You understand that this Agreement will not become effective unless you successfully complete the ALLOVER MEDIA training program. In the event that you are given notice of default as set forth in Subparagraph 11.A and the default relates, in whole or in part, to your failure to meet any operational standards, we may require as a condition of curing the default that you again attend and successfully complete our training program at a place we designate at your expense. If you desire to operate your Business with a manager other than you, then in addition to you, the manager must attend and successfully complete our training program, at your expense, prior to undertaking such operations.

C. Ongoing Training. We may require you and other key employees of your Business to attend, at your expense, ongoing training at our training center or other location we designate.

D. Staffing. You must hire and supervise efficient, competent, and courteous persons as your employees for the operation of your Business and set and pay their wages, commissions and incentives with no liability on us. As further described in the Manuals, your staffing needs may vary depending on the size of your Designated Territory. No employee of yours will be deemed to be an employee of us for any purpose whatsoever.

E. Attendance at Meetings. You must, at your expense, attend the national conference and at least one seminar or meeting that we sponsor for ALLOVER MEDIA franchisees to set forth new methods and programs for operation, training, management, sales or marketing. If you are unable to attend any such meeting, you must notify us prior to the meeting and attempt to have a substitute person from your Business, acceptable to us, attend and represent you at such meeting. If you do not attend a required conference, seminar or meeting, we may require you to pay a fee of \$1,500 to us to cover costs and expenses.

FEES, REPORTING AND AUDIT RIGHTS

8. You must pay the fees described below and comply with the following provisions:

A. Initial Franchise Fee. You must pay to us as an initial franchise fee of \$ _____ prior to execution of this Agreement. In connection with your payment of the initial franchise fee, we will provide you with a start-up kit for your Business, the contents of which are set forth in the Manuals.

B. Continuing License Fee. In addition to the initial franchise fee, during the full term of this Agreement, and in consideration of the rights licensed hereunder, you must pay us monthly as a continuing license fee in an amount equal to 6% of (i) Local Billings, (ii) National Account Sales that you place into another franchisee's designated territory, and (iii) Cross Sales that you place in another franchisee's designated territory for which you are the originating franchisee. The continuing license fee does not apply to revenues derived from production charges, LCD product sales, National Account Sales that we place into your Designated Territory or from Cross Sales placed in your Designated Territory for which you are the local franchisee, all as further described in Appendix C – Revenue Sharing.

If you do not meet your Minimum Local Billing requirement for a performance period, as set forth in Appendix B, then you must pay us an additional continuing license fee for that period. The additional continuing license fee is 6% of the difference between the Minimum Local Billing requirement and

your actual Local Billing requirements for the performance period (the "shortfall"). The shortfall is due within 30 days of the end of the period.

C. Cross Sales Fee. If you are the originating franchisee of a Cross Sale, you must pay us the continuing license fee detailed above and pay the local franchisee a percentage of the Cross Sales you invoice for ads placed in the local franchisee's territory. The terms and the percentages of the payment to the local franchisee are further described in Appendix C.

D. National Account Sales Fee. You will receive a percentage of the revenue generated by National Account Sales we place in your Designated Territory. If we permit you to handle a National Account Sale, you must pay a percentage of the revenue to us. The terms and conditions for revenue sharing for National Account Sales are detailed in Appendix C.

E. Software Support Fee. In connection with the computer system we require you to use, as further described in Subparagraph 8.I, you must pay a monthly software support fee of \$250.

F. Production Charges. You may use us or an alternate supplier for advertising design. If you choose us as your designated supplier, you must pay us on a monthly basis our then-current production charges for graphic design, printing, posting (LCD only) and laminating services we perform for you. Production charges vary based on several factors, and we will bill you for the production charges on the 15th day of each month, as further described in Subparagraph 8.G. We may increase the production charges by notifying you in writing upon 60 days' notice. We also may charge lower production charges if the volume of your printing warrants a discount. You must purchase from us your supply of ALLOVER MEDIA letterhead, business cards, invoices and contracts.

If you choose to use a supplier other than us for advertising design and production, you must submit the advertising to us for approval prior to use. Further, you must permit to us to post the ad on the ALLOVER MEDIA "AD Library" for our use and the use of other franchisees.

G. Computations and Remittances; Reconciliation of Amounts Owed. You must compute all amounts due and owing to us under this Agreement at the end of each month's operation. Revenue generated in connection with your ad placements are realized (for purposes of amounts due and owing to us) when invoiced or when the service is performed, whichever is earlier. On or before the 5th day of every month, you must report all Gross Revenue and all fees owed to us by entering the information into the ALLOVER MEDIA software and you must supply to us the supporting or supplementary materials as we may reasonably require to verify the accuracy of such reports.

On the 15th day of each month, we will provide you with a monthly invoice that includes a statement of all amounts you owe to us and the amounts we owe to

you for National Account Sales we place in your Designated Territory and Cross Sale invoices for which you are the originating franchisee, in accordance with the terms and percentages described in Appendix C. The invoice will compare the amounts you owe to us against the amounts we owe to you for National Account Sales placed in your Designated Territory. The invoice will indicate whether the offset of fees owed results in a payment to you or whether you owe us payment. Payment of the amount set forth on the invoice is due to the other party by the end of the month that you receive the invoice. You may not withhold payment of any amounts owed to us and hereby waive any and all existing and future claims and offsets against any amounts due us, which amounts must be paid when due.

H. Electronic Transfer of Funds. You must sign an electronic transfer of funds authorization, attached as Appendix D, to authorize and direct your bank or financial institution to transfer electronically, on a monthly basis, directly to our account or our affiliates' and to charge to your account all amounts due to us or our affiliates. You must maintain a balance in your account sufficient to allow us and our affiliates to collect the amounts owed when due. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this subparagraph.

I. Computer System. We require you to use a laptop computer, which we provide to you as part of the start-up kit, in the operation of your Business. You must use any computer system that we develop and/or select for your Business, including all future updates, supplements (including any intranet/extranet system we develop) and modifications (the "computer system"). The computer software package developed for use as part of the computer system includes our proprietary business management software. The software will track local billings, current advertising clients, the Venues secured and number of display boards installed, and the types of advertisements posted.

You must license the proprietary software from us, which software will remain our confidential property, and enter into our standard form of Software License Agreement, a copy of which is attached as Appendix E. Any default of the Software License Agreement is a default under this Agreement. We reserve the right to assign our rights, title and interest in the proprietary software or the Software License Agreement to a third party that we designate. In such event, you may be required to enter into a separate computer software license agreement specified by the third party supplier of the proprietary software. All right, title and interest in the software will remain with the licensor of the software. You also must pay a software support fee in connection with your use of the proprietary software as further described in Subparagraph 8.E of this Agreement.

The computer hardware component of the computer system must conform to specifications we develop and must be configured in a package unit as we designate. If we are requested to configure your computer hardware component to conform to the designated computer software component of the computer system, we may provide such assistance for additional agreed upon compensation. You

acknowledge and agree that we will have full and complete access to information and data produced by the computer system. You will be required to use and, at our discretion, pay for all future updates, supplements and modifications to the computer system.

J. Reports and Audit. You must submit to us reports with respect to your Business in such form and content as we may prescribe periodically. The reports must include, but not be limited to, the following information: (i) within 5 days after the end of each month, the amount of Gross Revenue of your Business for sales made during the previous calendar month, the amount of sales tax thereon, and the computation of the continuing license fee, software support fee, marketing fee ~~(which is due quarterly)~~, production charges and materials and supplies purchased from us; (ii) on an annual basis but no later than May 15 of each year, copies of your most recent annual tax returns, a balance sheet and statement of profit and loss for the previous year, and monthly sales summaries for the previous year; and (iii) if requested by us to verify your Local Billings, all books and records as we may require under our audit policies published from time to time.

We or our authorized representative have the right at all times during the business day to enter the premises where your books and records relative to your Business are kept and to evaluate, copy and audit such books and records. In the event that any such evaluation or audit reveals an understatement of your Local Billings, continuing license fee or other material financial information related to your Business of 5% or more from data reported to us, in addition to any other rights we may have (including collection of amounts owed with respect to any understatement), you must reimburse us for all audit costs including, without limitation, the related professional fees, travel, and room and board expenses. Furthermore, we may conduct further periodic audits and/or evaluations of your books and records, at your sole expense, as we reasonably deem necessary for up to two years thereafter. You acknowledge and agree that if a subsequent audit or evaluation conducted within the two year period reveals any such understatement or variance of 5% or more, in addition to any other remedies provided for in this Agreement, at law or in equity, we will have the right to terminate this Agreement in accordance with Subparagraph 11.B of this Agreement.

K. Interest Charges; Late Fees. Any and all amounts owing to us or our affiliates by you hereunder will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In addition to interest charges on late continuing license fee and marketing fee payments, you must pay to us a late fee of \$50 for each delinquent report or payment owed to us under this Agreement. The service charge is not interest or a penalty. It is only to compensate us for increased administrative and management costs due to late payment. Your failure to pay all amounts when due is a default and grounds for termination under this Agreement. In addition, we reserve the right to withhold or delay the shipment of products to you and payment of revenues generated from National Account Sales and Cross Sales if you are in arrears with respect to any amount owed to us or our affiliates.

Vendors and suppliers of products and services also may withhold or delay the shipment of goods and services to you if you are in arrears with respect to any amount owed to the vendor or supplier.

MARKETING FEES AND CONTROLS

9. You agree to actively promote your Business, to abide by all of our marketing requirements and to comply with the following provisions:

A. Marketing Fee. You must pay to us a ~~quarterly-monthly~~ marketing fee in an amount equal to 1% of your Gross Revenues. We will bill you for the marketing fee within 15 days after each ~~quarter-month~~ has ended. All marketing fees will be placed in a marketing fund managed by us. The marketing fund is not a trust or escrow account or a separate bank account, and we have no fiduciary obligation to franchisees with respect to the marketing fund. We have the right to determine the expenditures of the amounts collected and the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs. Because of the methods used, we are not required to spend a prorated amount on each franchise business or in each advertising market. We have the right to make disbursements from the marketing fund for expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns, as well as payment to outside vendors for the development and maintenance of any website or intranet/extranet system we develop. The disbursements may include payments to us for the expense of administering the marketing fund, including overhead, accounting expenses and salaries and benefits paid to our employees engaged in the advertising functions.

B. Required Local Expenditures; Approved Marketing Materials. You must use your best efforts to promote and advertise your Business in your Designated Territory and participate in any local marketing and promotional programs we establish from time to time. You must use only such marketing materials as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. We will not unreasonably withhold approval of any marketing materials; provided that they are factual and dignified and include proper usage of the Trademarks. Any local advertising materials you submit to us will be deemed approved in accordance with the preceding sentence if we do not disapprove or comment on the materials within 10 business days of receipt. We and other franchisees are restricted from marketing their ALLOVER MEDIA businesses in your Designated Territory, except when such marketing is part of a marketing fund program under Subparagraph 9.A or contained in a publication with general distribution in your Designated Territory and in the designated territory in which the company-owned outlet or another franchisee's territory is located.

C. Yellow Pages. Upon our request, you must place a separate listing in the yellow pages of your local telephone directory containing such copy as we

reasonably specify. You must pay the cost of the listing. We will not specify an unreasonably expensive listing.

FRANCHISEE'S OTHER OBLIGATIONS

10. You agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to pay promptly when due: (i) all payments, obligations, assessments and taxes due and payable to us, vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your Business or products or services used in connection with your Business, (ii) all liens and encumbrances of every kind and character created or placed upon or against any of said property; and (iii) all accounts and other indebtedness of every kind incurred by you in the conduct of your Business. In the event you should default in making any payment, we will be authorized, but not required, to pay the same on your behalf and you covenant promptly to reimburse us on demand for any such payment.

B. Indemnification; Insurance. You hereby waive all claims against us (and any affiliates, officers, directors, agents and employees) for damages to property, death, or injuries to persons arising directly or indirectly out of the management or operation of your Business. You must indemnify and hold us (and any affiliates, officers, directors, agents and employees) harmless from and against any and all claims, demands and liabilities of any nature whatsoever arising in any manner, directly or indirectly, from or in connection with the operation, use, or occupancy of your Business or premises or any breach by you or your failure to comply with the terms and conditions of this Agreement, including attorneys' fees and costs (regardless of cause or any concurrent or contributing fault or negligence of us or our affiliates).

You agree to purchase and maintain in full force and effect, solely at your expense, liability insurance in an aggregate amount designated periodically by us. If you operate your Business out of your home and you have no employees, your homeowner's insurance must include business/commercial liability insurance with a minimum of \$1,000,000 per occurrence. If your Business is located outside of your home or if you have employees, you must carry (i) broad form general liability of \$2,000,000 per occurrence, (ii) property insurance covering the full replacement value of your office and business interruption insurance sufficient to cover lost income, operating expenses and profits for a reasonable period of days, beyond any applicable waiting period, to allow you to resume business in the ordinary course, (iii) workers' compensation insurance, and (iv) bodily injury/accident insurance of \$1,000,000 per individual.

In addition, you agree to purchase and maintain in full force and effect, at your expense, other insurance in amounts designated periodically by us covering operation or maintenance of any building, equipment or motor vehicle owned or

leased by you in connection with your Business and any other insurance we specify in writing from time to time or required by local, state or federal law. You further agree to deliver to us periodically or at our request a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this Subparagraph. All insurance coverage must (i) name us as an additional insured, (ii) insure you, us and our affiliates and their respective officers, directors, agents and employees from any and all loss, liability, claim or expense of any kind whatsoever and (iii) provide that we will be given 30 days' prior written notice of material change in or termination or cancellation of the policy. This insurance coverage must commence as of the date you commence operating your Business.

C. Noncompete Restrictions. You agree that you will receive valuable training and Confidential Information that you otherwise would not receive or have access to but for the right licensed to you under this Agreement. You therefore agree to the following noncompetition restrictions:

1. You and your personal guarantors may not during the term of this Agreement, without our prior written approval, engage as an owner, partner, director, officer, employee, consultant, agent or in any other capacity in any advertising business or any other business selling products and services similar to the products and services sold by your Business licensed under this Agreement.

2. You and your personal guarantors may not engage as an owner, partner, director, officer, employee, consultant, sales person, representative or agent in any other capacity in any competitive activity, as defined below, for a 2 year period after expiration or termination of this Agreement, within (i) your Designated Territory; (ii) a 25 mile radius outside your Designated Territory; or (iii) the designated territory of another ALLOVER MEDIA franchisee whose designated territory is within 25 miles of your Designated Territory. For purposes of this Agreement, competitive activity means any advertising placement business or any other business that sells products and services similar to the products and services sold by an ALLOVER MEDIA business. You expressly agree that the 2 year period and 25-mile restriction are the reasonable and necessary time and geographic scope needed to protect us and the System if the Agreement expires or is terminated. You also agree that the length of time in this Subparagraph will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement.

DEFAULT AND TERMINATION

11. The following provisions apply with respect to default and termination:

A. Defaults. You will be in default hereunder if we determine that you or any personal guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the

generality of the foregoing, includes (i) voluntary abandonment of your Business, (ii) making any false report to us, (iii) failure to submit any required report, (iv) failure to pay when due any amounts required to be paid to us or any of our affiliates whether pursuant to this Agreement or otherwise or to any third party (including vendors and suppliers) as required by this Agreement, (v) conviction of you or any personal guarantor (or pleading no contest to) any felony or an offense that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair the goodwill of any of the Trademarks, (vi) failure to abide by our standards and requirements in connection with the operation of your Business, (vii) your failure to meet the Minimum Local Billing and Venue Requirements, (viii) filing of any tax liens or voluntary or involuntary bankruptcy by or against you or any personal guarantor, (ix) your insolvency or any personal guarantor's insolvency, (x) making an assignment or entering into any similar arrangement for the disposition of assets for the benefit of creditors, (xi) any unauthorized assignment or transfer of your Business, this Agreement or the stock of franchisee, or (xii) failure to meet any requirements or specifications we establish with respect to product and service quality, sales or installation procedures, conditions of materials used, or use of approved products and services.

B. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

1. Termination After Opportunity to Cure. Except as otherwise provided in this Subparagraph 11.B: (i) you will have 30 days from the date of a written notice of default to cure any default under this Agreement; (ii) your failure to cure a default within the 30-day period will provide us with good cause to terminate this Agreement; (iii) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (iv) the termination will be effective 30 days after the date of the written notice of termination.

2. Immediate Termination With No Opportunity to Cure. In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: voluntary abandonment of your Business; you willfully and materially falsify any report, statement or other written data furnished to us; conviction of you or any personal guarantor of (or pleading no contest to) any felony or offense that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair the goodwill of any of the Trademarks; your insolvency or any personal guarantor's insolvency; making an assignment or entering into any similar arrangement for the disposition of assets for the benefit of creditors; any unauthorized assignment or transfer of your Business, this Agreement or the ownership of franchisee; any instance where you willfully deceive clients relative to the source, nature or quality of products or

services sold; any default that results from a subsequent audit of your Business conducted within two years of a previous audit and both audits reveal an understatement of 5% or more in financial information provided to us; or any default by you that is the third similar default within any 12 month consecutive period. Furthermore, we may declare this Agreement null and void if you make any material misrepresentation on the franchise application or otherwise relating to the acquisition of the franchise.

3. Immediate Termination After 24 Hours to Cure. In the event that a default under this Agreement occurs that materially impairs the goodwill associated with any of the Trademarks (i) you will have 24 hours after we provide written notice of the default to cure the default; and (ii) the termination will be effective immediately upon our issuance of written notice of termination.

4. Effect of Other Laws. We may terminate this Agreement upon any other ground or by any shorter period of notice (but not less than 30 days except as provided above) as may be permitted from time to time by applicable law or regulation. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise will supersede any provision of this Agreement that is less favorable to you than such law or regulation.

C. Termination by Franchisee. You may terminate this Agreement only for good cause and provided that you are in full compliance with all terms and conditions of this Agreement. Our failure to cure a default by us hereunder within 30 days from the date of a written notice of default will give you good cause to terminate this Agreement. You must notify us in writing that we have committed an alleged material breach of this Agreement, in which case we have 30 days after receipt of such notice to cure the alleged material breach. The notice must specify with particularity the nature of the alleged material breach and the steps you request that we take to cure the alleged material breach. You may terminate this Agreement only if we fail to cure the alleged material breach.

POST-TERM OBLIGATIONS

12. Upon the expiration or termination of this Agreement:

A. Reversion of Rights. All of your rights to the use of the Trademarks and all other rights and licenses granted in this Agreement and the right and license to conduct your Business under the Trademarks in your Designated Territory will revert to us without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. You must immediately pay all sums due to us, our affiliates or designees. You must immediately cease all use and display of the Trademarks and of any material

copyrighted by us (including without limitation the Manuals and other Confidential Information). You must immediately return to us all copies of the Manuals, any training videos, licensed software and all items included in the start-up kit, including the laptop computer and media kits.

B. Venues, Display Boards, Leases. We have the right and option, but not the obligation, to take and assume control of the Venues, ownership of the display boards and the obligations of the leases for the remaining term under the same terms and conditions, including rental amount, as originally contracted by you. If we assume your rights to the display boards, we have the right, but not the obligation, to purchase the display boards at depreciated cost.

C. Discontinuation of Trademark Use. Except for any display boards we assume under Subparagraph 12.B, you must promptly, and in any event within 30 days, at your expense, remove or obliterate all signage, displays or other materials in your possession that bear any of the Trademarks or names or material confusingly similar to the Trademarks and so alter the appearance of your Business premises (including motor vehicles, if any) as to differentiate your Business unmistakably from duly licensed ALLOVER MEDIA businesses identified by the Trademarks. You must cease your participation in any ALLOVER MEDIA web site and our intranet system and must discontinue your use of the Trademarks or System on the internet or other online communications. Furthermore, you must not use any of the Trademarks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media. You also must take such action as may be required to cancel all assumed name or equivalent registrations relating to the use of any trade name or Trademarks and notify the telephone company and listing agencies of the termination or expiration of your right to use all telephone numbers of your Business and all classified and other directory listings of your Business and authorize the transfer of such numbers and directory listings to us or as we direct. This agreement by you regarding the telephone numbers and listings is for the benefit of such telephone company serving you. You agree to hold any such telephone company harmless from any and all claims against it arising out of any orders given by us to terminate, transfer or put on referral such telephone service. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement, you will remain liable for your indemnification obligations specified in Subparagraph 10.B or under common law and other obligations pursuant to any applicable lease for your Business premises or otherwise, which by their very nature are intended to survive the expiration or termination of this Agreement.

DISPUTE RESOLUTION; INJUNCTIVE RELIEF

13. We and you agree as follows:

A. Dispute Resolution. Except as qualified below in Subparagraph 13.B, any dispute involving us, you, or any personal guarantor (including the

directors, officers, heirs, beneficiaries or other similar parties claiming an interest through any of these entities), arising under, out of, or in any way connected with or related to this Agreement, the relationship between the parties or your Business, must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be arbitrated in accordance with the rules and procedures and under the auspices of the American Arbitration Association. The arbitration will take place in Minneapolis, Minnesota, or at such other place as may be mutually agreeable to the parties. Any arbitration must be resolved on an individual basis and not joined as part of a class action or the claims of other parties. The arbitrators must follow the law and not disregard the terms of this Agreement. The arbitrators appointed must have at least 5 years' experience in franchising or in franchise law.

The decision of the arbitrators will be final and binding on all parties to the dispute; however, the arbitrators may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award that extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance set by us. Judgment upon the award may be entered in any court having jurisdiction thereof. Except as qualified below in Subparagraph 13.B, prior to the initiation of arbitration in connection with a dispute arising under this Agreement, the parties agree to meet for at least two hours at our home office or other mutually agreeable site in an attempt to resolve the dispute. The meeting will take place within two weeks of a party's request for the meeting, and each party must pay its own costs and expenses with respect to the meeting.

B. Injunctive Relief. Notwithstanding Subparagraph 13.A above, you recognize that your Business is one of a number of businesses identified by the Trademarks and similarly situated and selling to the public similar products and services, and hence the failure on the part of a single franchisee to comply with the terms of its agreement could cause irreparable damage to us and/or to some or all of our other franchisees. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement, the other party will forthwith be entitled to an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this Agreement by the other party.

C. Enforcement. During the term of this Agreement, if you do not give us written notice of the alleged breach of this Agreement within one year from the date that you have knowledge of circumstances reasonably causing you to believe you may have a claim for a breach of this Agreement by us, then the alleged breach will be deemed to be waived by you in all respects and you will be

barred from bringing any legal or other action against us for the alleged breach. Furthermore, upon expiration or termination of this Agreement, you may not assert any claim or cause of action against us arising under, out of, or in any way connected with or related to this Agreement, the relationship between the parties, or your Business unless the claim or cause of action is commenced within one year after the effective date of the expiration or termination of this Agreement. Notwithstanding the preceding two sentences, if the one year time limitation is prohibited by or invalid under any applicable law, then no suit or action may be commenced or maintained unless it is commenced within the shortest applicable statute of limitations.

ASSIGNMENT BY FRANCHISEE

14. You agree that the following provisions will govern any transfer or proposed transfer by you:

A. Transfers. This Agreement is entered into by us with specific reliance upon your financial qualifications and your personal experience, skills and managerial and financial qualifications as being essential to the satisfactory operation of your Business licensed hereunder. Consequently, neither your interest in this Agreement nor in your Business may be transferred or assigned to or assumed by any other person or entity (the "assignee"), in whole or in part, unless you have first tendered to us the right of first refusal to acquire such interest in accordance with Subparagraph 14.E, and if we fail to exercise such right, unless our prior written consent is obtained and the transfer conditions described in Subparagraph 14.C are satisfied. Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, gift or otherwise or any arrangement pursuant to which you turn over all or part of the daily operation of your Business to a person or entity who shares in the losses and/or profits of your Business in a manner other than as an employee will be considered a transfer for purposes of this Agreement.

In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or your Business, such person first must so notify us, must tender the right of first refusal provided for in Subparagraph 14.E, and if we fail to exercise such right, must apply for and obtain our consent to the transfer and satisfy the transfer conditions described in Subparagraph 14.C. In addition, you or the assignee must pay our attorneys' fees and costs incurred in any bankruptcy or insolvency proceeding pertaining to you.

B. Consent to Transfer. We will not unreasonably withhold our consent to transfer, provided that the proposed assignee is, in our reasonable judgment, qualified to provide active supervision over the operation of your Business, the proposed assignee possess sufficient net worth and sources of capital

to meet our standards for your Business, and the conditions defined in Subparagraph 14.C are satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in Subparagraph 14.E must be made by submission of our form of application for consent to transfer, which must be accompanied by the documents (including a copy of the proposed purchase or other transfer agreement) or other information required therein. The application must indicate whether you propose to retain a security interest in the property to be transferred. No such security interest will be created without our prior written consent and except upon conditions acceptable to us. Any agreement used in connection with a transfer will be subject to our prior written approval, which approval will not be withheld unreasonably. You immediately must notify us of any proposed transfer hereunder and must submit promptly to us the application for consent to transfer. Any attempted transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void and will give us the right to either terminate this Agreement or to collect from you a transfer fee equal to two times the transfer fee provided for in this Agreement.

C. Conditions of Transfer. Whether the transfer be to an individual, a corporation, a partnership or to any other entity, the following provisions apply:

1. We may condition our consent to any proposed transfer upon the following:

(a) all of your obligations in connection with your Business have been assumed by the assignee;

(b) all of your ascertained or liquidated debts in connection with your Business, including all amounts owed to us or any of our affiliates or your suppliers have been paid in full;

(c) you are not in default under any provision of this Agreement;

(d) the assignee has completed the training program required of new franchisees;

(e) you or the assignee has paid \$2,500 as a transfer fee for assignee's training and on-site field technical and management supervision and training and to reimburse us for our reasonable legal and accounting fees, credit and investigation charges and expenses incurred as a consequence of such assignment. If the transferee is a person or entity that was referred to us as a potential franchisee by a