

EXHIBIT G

FRANCHISE AGREEMENT (AND EXHIBITS)

AMERISPEC, INC. FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

AmeriSpec, Inc.
STD 2006 FA

TABLE OF CONTENTS

<u>Section</u>	<u>Description</u>	<u>Page</u>
1.	INTRODUCTION	1
2.	DEFINITIONS.....	1
3.	GRANT OF FRANCHISE AND RENEWAL OF FRANCHISE	2
4.	INITIAL FRANCHISE FEE.....	4
5.	EARNED SERVICE FEES	4
6.	ADVERTISING AND PROMOTION	5
7.	SITE SELECTION AND ESTABLISHMENT OF BUSINESS PREMISES	6
8.	TRAINING AND ASSISTANCE	7
9.	OPERATION OF THE FRANCHISED BUSINESS	8
10.	NAMES AND MARKS.....	10
11.	SUPPLIES.....	12
12.	FINANCIAL INFORMATION, DEPOSITS, REPORTS, AND AUDITS.....	12
13.	INSURANCE.....	13
14.	CONFIDENTIALITY AND IMPROVEMENTS BY THE FRANCHISEE.....	14
15.	COMPETITION.....	15
16.	ASSIGNMENT.....	15
17.	RIGHT OF FIRST REFUSAL.....	17
18.	PRE-TERMINATION OPTIONS OF THE COMPANY.....	17
19.	TERMINATION.....	18
20.	ENFORCEMENT	21
21.	INDEPENDENT CONTRACTORS/INDEMNIFICATION.....	23
22.	GOVERNING LAW/BINDING EFFECT/CONSTRUCTION/WAIVER/ NOTICES.....	24

EXHIBITS

A – DESIGNATED TERRITORY

B – GUARANTY

C – COMPUTER SOFTWARE LICENSE AGREEMENT

D – WEBSITE ACCOUNT AGREEMENT

E - E-MAIL ACCOUNT LICENSE AGREEMENT

F – TELEPHONE NUMBER ASSIGNMENT

AMERISPEC, INC.
FRANCHISE AGREEMENT

FRANCHISE NUMBER: _____

THIS AGREEMENT is made the ____ day of _____, 20____, by and between

AMERISPEC, INC.,
a Delaware corporation
889 Ridge Lake Boulevard
Memphis, Tennessee 38120
(the "Company")

and

_____ doing business as

_____ with its address at

_____ (the "Franchisee").

1.) INTRODUCTION

The Company has acquired experience in the development, opening, operation, and promotion of businesses that provide a variety of single family and multifamily residential and commercial building inspection services. The Company has developed a marketing plan for the marketing of these and other services under the trade name and service mark "AmeriSpec®" and other "Names and Marks" (as defined herein) and desires to grant to qualified persons franchises to use its concepts, programs, and methods of marketing in the operation of a residential inspection business utilizing exclusively the Names and Marks selected, used, and promoted by the Company. The Franchisee has made application to the Company for a franchise to operate an AmeriSpec® home inspection business and the application has been approved by the Company in reliance upon the representations made in the application.

2.) DEFINITIONS

The terms and phrases specified below shall have, for purposes of this Agreement, the following meanings:

(01) "Franchise" shall mean the right granted to the Franchisee by the Company to use the System of Operation and to use the Names and Marks selected, used, and promoted by the Company.

(02) "Term of the Franchise" shall mean the initial term of the Franchise and all renewal terms if the Franchise is renewed.

(03) "Gross Receipts" shall mean the total amount of revenues received by the Franchisee from all products and services offered by the Franchised Business or offered from the premises of the Franchised Business, and all other services or products sold under the Names and Marks, or otherwise related to the Franchised Business or sold to customers of the Franchised Business, whether payment is

received by cash or credit, plus the fair market value of goods delivered and services rendered to the Franchisee, or its designee, in consideration for goods and services provided in, from, or in conjunction with the Franchised Business. There shall be excluded from "Gross Receipts" bona fide refunds, credits given or allowed by the Franchisee to customers, uncollectible checks, and amounts collected from customers and remitted by the Franchisee to any governmental taxing authority in satisfaction of sales taxes. There shall also be excluded from Gross Receipts any revenues received from businesses operated by the Franchisee prior to the date of this Agreement at the premises of the Franchised Business, provided such existing businesses have been disclosed to the Company and approved by the Company in writing on or before the date of execution of this Agreement by the Company and so long as the revenue is not generated from services or products offered by the Company.

(04) "Names and Marks" shall mean the commercial trade names, trademarks, service marks and other commercial symbols, including associated logos, now or hereafter selected, used or promoted by the Company in connection with its franchised system offering residential and commercial building inspection services or related products and/or services.

(05) "System of Operation" shall mean the business plans and methods licensed by the Company to be used in connection with the operation of the Franchised Business. The "System of Operation" includes standards, specifications, methods, procedures, techniques, management systems, identification schemes and information, all of which may be changed, improved and further developed from time to time by the Company.

(06) "Franchised Business" shall mean the business franchised under this Agreement to operate utilizing the System of Operation and the Names and Marks.

(07) "Designated Territory" shall mean the geographic area described in Paragraph 3(01) of this Agreement.

(08) Whenever the term "office" is used in this Agreement in reference to the office of the Franchised Business, that term shall refer to the principal business office initially established by the Franchisee under this Agreement, except in Paragraph 15, where the term office shall mean any office used by the Franchisee during the two (2) year period prior to the termination or expiration of this Agreement, or the assignment of this Agreement or of the Franchised Business.

3.) GRANT OF FRANCHISE AND RENEWAL OF FRANCHISE

(01) Subject to the provisions of this Agreement, the Company grants to the Franchisee a Franchise for a term of ten (10) years, commencing on the date of this Agreement, to utilize the System of Operation and to use the Names and Marks of the Company in the conduct of a residential inspection business operated from one location to be selected by the Franchisee and approved by the Company within the geographic area (the Designated Territory) as described in Exhibit A.

At the Franchisee's request, the Company will provide the Franchisee a copy of a map indicating the geographic area of the Designated Territory.

(02) During the Term of the Franchise, the Company shall not grant to any other person a franchise to establish a residential and commercial building inspection service office offering the same products and services as those the Franchisee may offer under the Names and Marks within the Designated Territory, nor shall the Company open any such office. The Franchisee and the Company acknowledge, however, that the Franchisee cannot be prevented from soliciting customers for the Franchised Business outside the Designated Territory, nor can the Company prevent other AmeriSpec®

offices from soliciting business within the Designated Territory. Furthermore, the parties acknowledge and understand the Company shall have the right to operate a similar business or grant rights to other franchisees to operate a similar business, anywhere outside the Designated Territory, even if that business competes for customers located in the Designated Territory.

(03) The Franchisee agrees that its authorization to operate as a corporation or limited liability company shall be conditioned upon the following requirements:

- (a) Its shareholders and/or members and its principal executive officers shall at all times be personally bound by the terms of this Agreement.
- (b) Each stock certificate of the Franchisee shall have conspicuously endorsed upon its face a statement in a form satisfactory to the Company that it is held subject to this Agreement, and that any assignment or transfer of the stock certificate is subject to all restrictions imposed upon assignments by this Agreement.
- (c) Certified copies of the Franchisee's Articles of Incorporation, By-Laws, and other governing documents, including the resolutions of the Board of Directors authorizing entry into this Agreement, shall be promptly furnished to the Company.
- (d) If the Franchisee is an individual or a partnership and wishes to incorporate, the Franchisee shall obtain prior written approval of the Company for the assignment of the rights and duties under this Agreement to the new corporation and the Company shall assign this Agreement and the Franchised Business at no additional monetary consideration for the remainder of the term of this Agreement, at the Company's discretion, in accordance with the provisions of Section 16 of this Agreement, provided that the corporate entity assumes all duties of the Franchisee and that the Franchisee and all shareholders and principal executive officers remain personally bound by the terms of this Agreement and enter into a written agreement, in the form attached hereto as Exhibit B, jointly and severally guaranteeing the full payment and performance of the corporate entity's obligations to the Company and agreeing to be personally bound by all covenants and restrictions imposed upon the corporate entity under the terms of this Agreement.

(04) If, upon expiration of the initial term or any renewal term of the Franchise, the Franchisee has complied with all the provisions of the Franchise Agreement which is then expiring, has operated the Franchised Business utilizing and conforming to the System of Operation, has utilized exclusively the Names and Marks in the operation of the Franchised Business, and has upgraded the office of the Franchised Business to meet the Company's then current standards, the Franchisee shall have the option to renew the Franchise for an additional term as defined by the then current agreement. To renew the Franchise, the Franchisee shall execute the Company's then current form of Franchise Agreement and all other agreements and legal instruments and documents then customarily employed by the Company in the grant of Franchises. No initial fee or renewal fee shall be charged in connection with the renewal of the Franchise. However, the Company retains the right at its sole discretion to require the Franchisee to submit to a full audit of its operations at a cost not to exceed \$2,000 subject to the provisions of 12(04). The Franchisee shall give the Company not less than two hundred ten (210) days' prior written notice of an election not to renew the Franchise. Failure or refusal by the Franchisee to execute all agreements and documents within thirty (30) days after delivery to the Franchisee shall be deemed an election by the Franchisee not to renew the Franchise.

(05) If the Franchise is renewed, the then current franchise agreement may contain terms inconsistent with those in this Agreement. To the extent that it is impossible for the renewing franchisee

to comply with any such terms immediately upon renewal, the Company shall provide the franchisee a reasonable period of time, as defined by the Company, unless specifically otherwise provided in the agreement, for the franchisee to comply with any terms that are in fact inconsistent with those in this Agreement. All such terms and time periods will be addressed in writing at the time of renewal.

4.) INITIAL FRANCHISE FEE

(01) The Franchisee shall pay to the Company an Initial Franchise Fee of Twenty-nine Thousand Nine Hundred Dollars (\$29,900). The Initial Franchise Fee is discounted ten percent (10%) if the Franchisee, either is (a) an individual who has been, or a legal entity with at least a majority owned by individual(s) who have been, honorably discharged from the U.S. Army, Navy, Air Force, Marines, or Coast Guard within five (5) years prior to executing the Franchise Agreement (Military Discount) or (b) an individual who has, or a legal entity with a least a majority owned by individual(s) who have, retired with full retirement benefits from the United States government within five (5) years prior to executing the Franchise Agreement (Federal Employee Discount). If the Franchisee is an employee or franchisee of any of the ServiceMaster affiliated companies (those companies described in Item 1 of the Company's Uniform Franchise Offering Circular) the Initial Franchise Fee is discounted five percent (5%). Franchisees purchasing multiple franchises at the same time receive a ten percent (10%) discount on all except the first territory.

If the Franchisee (or a majority in ownership of the shareholders, partners, or members of the Franchisee) (a) is currently a franchisee of the Company, (b) is not currently in default under any agreement with the Company, (c) has provided the Company with an acceptable business plan and financial statements in form and substance acceptable to the Company to support the development of the additional territory, then the Initial Franchise Fee shall be reduced by ten percent (10%) for the purchase of this Franchise.

If the Franchisee is eligible for more than one discount for the reasons described above, only the largest discount for which the Franchisee is eligible will be applied to the Initial Franchise Fee.

(02) The Initial Franchise Fee shall be deemed to have been earned by the Company upon acceptance of this Agreement by the Company at the time it is due.

5.) EARNED SERVICE FEES

(01) The Franchisee shall pay to the Company, without set off, a nonrefundable earned service fee equal to seven percent (7%) of the Gross Receipts of the Franchised Business, subject to a minimum payment of Two Hundred Fifty Dollars (\$250) per month. Service fees shall be due on Friday of each week with respect to Gross Receipts of the Franchised Business generated in the immediately preceding calendar week. At the end of each calendar month, the Franchisee shall pay an additional payment equal to the percentage fee due on the Gross Revenues generated since the last weekly payment was due, or, if the percentage fee due for the entire calendar month is less than the above described minimum payment, then the Franchisee shall pay an additional amount equal to the difference between the amount paid and the minimum payment. While service fees are due on business generated from the date the Franchised Business commences operations, payment of the minimum fee shall commence the first full calendar month that begins ninety (90) days following completion of the first initial management training program that is scheduled after execution of this Agreement. The fee shall be transmitted to the Company in the manner prescribed by the Company.

(02) If any sales, income, excise, use or privilege taxes are imposed or levied upon the Company (with the exception of federal income taxes) by any government or governmental agency on

account of the payment of earned service fees by the Franchisee under this Agreement, the Franchisee shall pay to the Company a sum equal to the amount of such tax as an additional earned service fee

6.) ADVERTISING AND PROMOTION

(01) The Franchisee shall pay to the Company a weekly "Advertising Contribution" equal to three percent (3%) of the Gross Receipts of the Franchised Business in the immediately preceding week, subject to a minimum contribution of One Hundred Twenty-five Dollars (\$125) per month. These fees will commence at the same time as the earned service fees described in Paragraph 5(01) and will be transmitted to the Company at the same time and in the same manner as is required of the earned service fees.

(02) Reasonable disbursements from the Advertising Fund shall be made solely for the payment of expenses incurred in connection with the general promotion of the Names and Marks and the AmeriSpec® franchise system, including, but not limited to: (i) the cost of formulating, developing and implementing media advertising and public relations campaigns; (ii) the cost of formulating, developing and implementing promotional programs; (iii) at the option of the Company, reimbursement of all or part of each Franchisee's cost of purchasing promotional materials used in connection with promotional programs authorized by the Company; and (iv) the reasonable cost of administering the Advertising Fund, including accounting expenses and the actual cost of salaries and fringe benefits paid to the Company's employees engaged in administration of the Advertising Fund. There shall be no requirement that all or any part of the Advertising Fund be disbursed within any accounting period. Losses sustained, or gains accrued, in the Advertising Fund shall carry over to subsequent fiscal years. All interest if any earned by the Advertising Fund shall be used for the payment of the foregoing expenses in connection with promotion of the Names and Marks, before application of any principal to those expenses. Methods of advertising, selection of media, locale of advertising, and contents, terms and conditions of advertising campaigns and promotional programs shall be within the sole discretion of the Company. The Franchisee understands that such advertising is intended to maximize the public's awareness of the AmeriSpec® franchise system and the Company accordingly undertakes no obligation to ensure that any individual franchisee benefits directly or on a pro rata basis from the placement, if any, of such advertising in its local market. If requested by the Franchisee, the Company shall provide the Franchisee an annual statement of the financial condition of the Advertising Fund, certified by an executive officer of the Company.

(03) Disbursements from the Advertising Fund shall not be made for the payment of expenses incurred in connection with the Company's direct marketing of franchise licenses.

(04) At its own expense, the Franchisee shall obtain an annual yellow page listing in the primary yellow page directory serving each of the geographic areas served by the Franchised Business. At a minimum, this listing shall consist of a bold heading in such directory. The Franchisee may satisfy this obligation by purchasing a larger listing cooperatively with other AmeriSpec® businesses.

(05) At its own expense, the Franchisee may conduct advertising campaigns and promotional programs designed primarily to promote the Franchised Business ("Local Advertising"). Prior to implementing any Local Advertising, the Franchisee shall submit to the Company for approval all advertising and promotional material proposed to be used in connection with the Local Advertising. The Company has the right to review and approve internal advertising efforts (such as web-sites and electronic mail (e-mail)). The Company may, at its discretion, publish to franchisees standards to which such internet advertising efforts must conform.

Initials

(06) The Company shall have the right to photograph the Franchised Business, and to use these photographs in any advertising or promotional material. The Company shall not be obligated to compensate the Franchisee in any way for use of the Franchised Business in connection with photographing the Franchised Business. The Franchisee shall cooperate in securing photographs and the consent of persons photographed.

(07) The Company reserves the right to engage the professional services of an advertising agency which is owned by, or is an affiliate of, the Company or any of its principals.

(08) Advertising materials, forms, samples, supplies, products and services may be made available to the Franchisee at scheduled prices. The purchase price for products, supplies and services purchased by the Franchisee from the Company shall be paid in advance of shipping by the Company.

(09) The Company shall provide the Franchisee with an internet electronic mail (e-mail) address and internet website and website address (URL/domain name) for use in operating the Franchised Business. This e-mail address and website and website address shall be the only e-mail address, website and website address used by the Franchisee in operating the Franchised Business. The Franchisee agrees to enter into one or more license agreements in the form the Company requires, under which the Franchisee will receive a license to use the designated e-mail address, website and website address.

7.) SITE SELECTION AND ESTABLISHMENT OF BUSINESS PREMISES

(01) The Franchisee shall be required to establish a regular and fully operational, full-time business office within the Designated Territory from which the Franchised Business shall be operated. The office shall be located within the Designated Territory as specified in Paragraph 3(01) of this Agreement. The Franchisee shall submit the information regarding the office location to the Company for approval prior to establishment thereof. The Franchisee shall provide the Company with such information regarding any proposed site as may be reasonably requested by the Company.

(02) While the Company does not prescribe specific standards for the interior or exterior of the office established by the Franchisee, the office is expected to be tastefully decorated in a manner designed to enhance the goodwill associated with the Names and Marks. Once established, the office may not be moved without the prior consent of the Company, which consent shall not be unreasonably withheld so long as any new location selected by the Franchisee is within the Franchisee's Designated Territory and does not infringe upon any Designated Territory granted to any other franchisee.

(03) The Franchisee shall advertise an office telephone number containing the area code and a three (3)-digit prefix that is assigned to the particular geographic area in which the office of the Franchised Business is located.

(04) The Franchisee shall not be allowed to maintain or use or advertise an office, branch office, referral office, or any other permanent or temporary office or location outside the Designated Territory at any time.

(05) If the Franchisee owns multiple franchises, the designated territories of which are contiguous, then the Franchisee is only required to establish one regular, full-time business office pursuant to sub paragraph (01) and thus shall not be required to have an independent office for each of the multiple franchises.

8.) TRAINING AND ASSISTANCE

(01) The Company shall provide initial training to the Franchisee as set forth in this section at a suitable location in Memphis, Tennessee or, from time to time, and at our discretion, at regional locations. The training shall consist of: (1) management training in the marketing, administration and operation of the Franchised Business and (2) technical training in the provision of home inspection services. The technical training portion of the initial training consists of training on the performance of home inspections. The Company may, but is not required to, provide or make available to franchisees training on the performance of other residential and commercial building inspections. Each individual franchisee must ensure that they are properly trained to perform any service offered under the Names and Marks and that the performance of any such service is approved by the Company in writing. Either the Franchisee or a manager of the Franchised Business approved by the Company shall attend and satisfactorily complete the initial training first scheduled after the execution of the franchise agreement before the Franchised Business opens. In addition, all employees of the Franchisee and other individuals who conduct home inspection services on behalf of the Franchisee, must complete the technical part of the initial training and complete and pass the final exam designated by the Company for certification, unless the Company waives this requirement in writing, not later than sixty (60) days after being retained or employed by the Franchisee.

(02) We provide, at no additional charge, the two weeks of initial training for you or your approved manager. If the Franchised Business is owned by more than one individual, then we will provide the initial training for up to two people at no additional charge. Each additional person who attends the initial training will be charged the then current fee for training. We will also provide, at no additional charge, up to a total of four additional weeks of initial training for your employees; for example, two additional weeks of technical training and two additional weeks of management training. (Existing franchisees purchasing additional franchises will not receive the two weeks of initial training for franchisees and approved managers; however, they will receive four additional weeks of training.) You must pay all of your lodging, meals, transportation, and other out-of-pocket expenses incurred during or related to this initial training, except to the extent that they may be included in the initial franchise fee. Upon renewal, all training is at Franchisee's expense unless Franchisee has credits left over from the expiring franchise term.

(03) As the Company develops and/or approves additional residential and commercial building inspection services to be provided under the Names and Marks, the Company may, but is not required to, also develop additional training programs with respect to these additional services. However, it is the sole responsibility of the franchisee to ensure that he or she is properly trained to perform any service offered under the Names and Marks and that the services are pre-approved by the Company. If the Company develops such additional training programs, it will offer the training programs to the Franchisee at its then current fee. If such additional training program(s) are offered, the Franchisee may be required to attend the training as a condition to being authorized to provide the service that is the subject of the training. All expenses for lodging, meals, transportation and other out-of-pocket expenses to attend the training for the Franchisee and its employees are the sole responsibility of the Franchisee.

(04) The Company shall provide to the Franchisee an initial supply of business cards, stationery, and marketing and training materials (excluding the AmeriSpec Report binder and its contents) to be used in the start-up of the Franchised Business. Additional supplies shall be available for purchase from the Company. The initial supply of business cards, stationery, and marketing and training materials will not be provided by the Company if the franchisee is currently a franchisee of the Company and entitled to the 10% discount for the purchase of the franchise as described in Section 4)(01)

(05) The Company shall provide the Franchisee with the Marketing Game Plan and the appropriate tools necessary to implement a local marketing plan. Franchisee shall be responsible for purchasing marketing materials (except those designated by the Company from proceeds of the national advertising fund). Any marketing materials and/or manuals shall be CONFIDENTIAL, shall not be copied in whole or in part (except as may otherwise be specifically indicated therein), shall remain the property of the Company and shall always be in safekeeping and in the custody of the Franchisee at the offices of the Franchised Business. The Company may from time to time add to or modify marketing materials, the marketing game plan and/or manuals to improve the System of Operation and the contents and methods of promotion contained in the materials. The Franchisee shall keep manuals up to date by inserting any such additions or modifications, such as those received in bi-monthly marketing mailings.

(06) The Company has the right to periodically conduct, and Franchisee (or an approved representative) shall attend, a convention or seminar for all AmeriSpec® franchisees. Franchisee shall pay the Company a convention assessment fee if the convention is held.

(07) The Company may, from time to time, provide additional programs and services to the Franchisee. Unless otherwise approved by the Company, the Franchisee is required to participate in all such additional programs in accordance with procedures established from time to time by the Company.

9.) OPERATION OF THE FRANCHISED BUSINESS

(01) If the Franchisee believes the Company has failed to adequately provide pre-opening services to the Franchisee in regard to the initial training, selection and purchase of equipment and supplies, or any other matter affecting the establishment of the Franchised Business, the Franchisee shall notify the Company in writing within 30 days following the start of the Franchised Business. Absent the timely provision of such notice to the Company, the Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by the Company were sufficient and satisfactory in the Franchisee's judgment.

(02) The Franchisee shall utilize its best efforts, skill and diligence to ensure that the Franchisee and the Franchisee's employees establish and maintain high quality service to customers. At all times, the Franchisee shall conduct its business in a manner that will preserve and enhance the goodwill associated with the Names and Marks. The Franchisee will at all times be held responsible for the day-to-day management of the Franchised Business.

(03) The office from which the Franchised Business is operated shall be staffed and open during regular business hours. The office telephone shall be answered by a person during normal business hours. Minimally, the office telephone shall be answered by a machine or person at all times other than normal business hours identifying the business as an AmeriSpec Home Inspection business.

(04) The Franchisee shall comply with all rules, regulations, and directives contained in this Agreement or in the confidential AmeriSpec® manuals, as amended from time to time, and shall adopt and adhere to merchandising, promotion, and advertising policies of the Company. The Company specifically reserves the right to modify or change such policies, procedures, and directives including, but not by way of limitation, by changing or adding to the services to be offered by the Franchised Business. Additionally, the Franchisee shall comply with all federal, state, or local rules, regulations or directives that relate to the performance of services offered from the Franchised Business, including but not limited to those requiring licensing, registration or certification.

(05) All inspections conducted by the Franchised Business shall be documented on forms and in the manner as prescribed by the Company, and the Franchisee shall notify the Company of each

inspection and source of revenue conducted by the Franchisee by providing such information with respect to each such inspection as, and in the manner, specified by the Company.

(06) All inspections conducted by the Franchised Business shall be conducted by a qualified inspector meeting the standards prescribed by the Company. It is acknowledged this provision shall require that each such inspector shall be certified, and maintain certification, under any certification program that may be established or endorsed by the Company, or otherwise meet such standards as the Company, in its sole discretion, shall prescribe. In the absence of any certification program established or endorsed by the Company, each inspector shall be required to either successfully complete the inspector training program provided by the Company, or otherwise meet the standards prescribed by the Company.

(07) The Franchisee acknowledges that the AmeriSpec® franchise program is designed for inspection of single family residences, multi family dwellings designated for occupancy by up to four families, and commercial buildings. The Franchisee shall not, without the prior written consent of the Company, engage in the inspection of any other types of structures.

(08) During the Term of the Franchise, the Franchisee shall use the office of the Franchised Business exclusively for the sale of goods and services associated with the Names and Marks and authorized by the Company. The Franchisee shall not permit the premises to be used for any other purpose, business, activity, use or function, unless approved in writing by the Company. If the Franchisee desires to operate any other type of business, and such business is not prohibited under the provisions of this Agreement, the Franchisee must operate that business from a separate office, unless approved in writing by the Company. If that office is adjacent to the office of the Franchised Business, there must be a separate entrance for that office and a separate telephone line for that business, and the Franchisee must take any other action required by the Company to assure customers do not believe there is any affiliation between that separate business and the Franchised Business.

(09) All of Franchisee's inspection personnel shall wear uniforms specified by the Company while conducting business and shall at all times while on duty present a neat and clean appearance and render competent, sober, courteous and trustworthy service to the customers of the Franchised Business.

(10) The purchase price for products, supplies, and services purchased by the Franchisee from the Company shall be paid in advance of receipt by the Franchisee unless otherwise specified by the Company, in which case Company will provide an invoice therefor. Fees or charges for products, supplies, or services furnished by the Company and not paid in advance or within ten (10) days of receipt of an invoice therefor, as well as past-due earned service fees and Advertising Contributions, shall bear interest from the due date at the maximum rate permitted by law, not to exceed one and one half percent (1-1/2%) per month.

(11) The Company and its designated representatives shall, during normal business hours, have the right to make physical inspections of the Franchised Business. If the Franchisee fails to perform its obligations specified in this Section, or if the Company reasonably determines that any actions taken by the Franchisee are injurious to the integrity and goodwill associated with the Names and Marks, the Company shall provide written notice to the Franchisee which shall contain a description of the Franchisee's failure to perform, and the reasonable corrective action to be taken by the Franchisee. Within thirty (30) days after its receipt of the aforementioned notice, the Franchisee shall take the corrective action specified in the notice. If the Franchisee shall in any way fail to maintain the standards of quality or service established by the Company in the operation of the Franchised Business, the Company shall have the right to assign such person or persons that it deems necessary to provide additional training to the Franchisee or its employees (above and beyond ordinary training and support provided to most franchisees) to assure that such standards of quality and service are maintained. The

Franchisee shall pay to the Company all of the Company's actual costs for such person so assigned, including wages, travel and living expenses.

(12) Franchisee will use in the Franchised Business the software system, including business contact management software and inspection software, all other existing or future communication or data storage systems, hardware components thereof and associated service, which the Company has developed and/or selected for the System of Operation (the "Computer System"). The Computer System developed for use in the Franchised Business likely will include one or more required or optional proprietary software programs developed for the Company (the "Proprietary Software"). Franchisee must purchase a license to utilize the Proprietary Software from the Company or its designated third party supplier, which software will remain the confidential property of the Company or its third party supplier. Franchisee and the Company will enter into the Company's standard form computer software license agreement attached hereto as Exhibit C (the "Software License Agreement") in connection with Franchisee's use of the Company's "Home Inspector Software." If the Franchised Business operated hereunder is Franchisee's first AmeriSpec® business, the Company will not charge Franchisee an initial license fee for the software and support provided pursuant to the Software License Agreement. The Company otherwise will charge Franchisee a reasonable initial license fee and an annual renewal fee for the software and for support that the Company or its designee provides to Franchisee respecting the Proprietary Software. New releases of the software may be provided at additional cost and may be contingent upon execution of a new software license agreement by Franchisee. The Company reserves the right to assign its rights, title and interest in the Home Inspector Software or other Proprietary Software to a third party designated by the Company or to replace the Home Inspector Software or other Proprietary Software. In such event, Franchisee may be required to enter into a separate computer software license agreement specified by AmeriSpec or the third party supplier of the specific Proprietary Software. The computer hardware component of the Computer System must comply with specifications that the Company develops. The Company has the right to designate a single source from whom Franchisee must purchase the Computer System, any software or hardware components thereof or associated service, and the Company or its affiliates may be that single source. Upon sixty (60) days' written notice, Franchisee will be required to use and, at the Company's discretion, pay for all future updates, supplements and modifications to the Computer System.

10.) NAMES AND MARKS

(01) The Franchisee shall operate under, and prominently display, the Names and Marks in the operation of the Franchised Business. The Franchisee shall use no commercial trade names, service marks, or other commercial symbols, including associated logos, which do not satisfy the criteria established by the Company. The Franchisee shall not use any of the Names and Marks in combination with other words, letters, prefixes, suffixes, logos or designs, other than in the manner authorized by the Company.

(02) If the Franchisee is a corporation, limited liability company or partnership, the Franchisee may not use any of the Names and Marks, or the names and marks of any other ServiceMaster company, as part of the name of the corporation, limited liability company or partnership. The Franchisee shall file for and maintain a "Certificate of Trade Name" in the county, or other appropriate jurisdiction, in which the Franchised Business is located.

(03) From time to time, upon reasonable notice to the Franchisee, the Company may elect to discontinue the use of certain Names and Marks and to commence use of new Names and Marks. The Franchisee shall pay all expenses incurred by the Franchisee in connection with discontinuing the use of existing Names and Marks in the Franchised Business and commencing the use of new Names and Marks therein; provided, however if the Company does not give the Franchisee notice to allow for use of any trademarked stationery or marketing materials purchased by the Franchisee within ninety (90) days

preceding the date of the notice that will become obsolete, the Company will purchase those materials from the Franchisee at the Franchisee's cost.

(04) The Franchisee acknowledges that its right to use the Names and Marks is derived solely from this Agreement and that all such usage and any goodwill established thereby shall inure to the exclusive benefit of the Company.

(05) The Franchisee agrees that, upon the termination or expiration of the Term of the Franchise for any reason whatsoever, the Franchisee shall forthwith discontinue the use of the Names and Marks, and thereafter shall no longer use, or have the right to use, the Names and Marks.

(06) The Franchisee shall immediately notify the Company of any infringement of or challenge to the Franchisee's use of present and future Names and Marks and shall not communicate with any other person in connection with any such infringement, challenge or claim. The Company shall have sole discretion to take such action as it deems appropriate, including the exclusive control of any litigation or any Trademark Office or other administrative proceeding arising out of any such infringement, challenge or claim relating to any of the Names and Marks.

(07) The Franchisee shall take all actions reasonably necessary to maintain the integrity of the Names and Marks and preserve and protect the goodwill associated with the Names and Marks. These actions shall include, without limitation, the following:

- (a) The Franchisee shall operate the Franchised Business in accordance with the standards and requirements of quality, appearance, cleanliness, and service that are associated with premium quality home inspection businesses.
- (b) At least ten (10) days prior to display or distribution, as applicable, the Franchisee shall provide the Company with copies or accurate depictions of any and all signs, brochures, advertisements, and other promotional materials relating to the Franchised Business.
- (c) The Franchisee shall refrain from using the Names and Marks in any lewd, scandalous, obscene, libelous, or defamatory manner.
- (d) Use of the Names and Marks shall in every instance be accompanied by the registration symbol "®" or the "™" symbol, placed in close proximity to the Names and Marks as directed by the Company. In addition, any and all brochures, advertisements, and other promotional materials bearing the Names and Marks shall contain the following statement: "AmeriSpec® and its accompanying design is a federally registered trademark and service mark of AmeriSpec, Inc.," or "AmeriSpec® is a registered trademark of AmeriSpec, Inc.," if applicable. All such materials shall also state that each AmeriSpec® business is independently owned and operated or company owned.
- (e) Within ten (10) days after the date the Franchisee receives notice of any customer or consumer complaint about the operation of the Franchised Business, the Franchisee shall prepare and deliver to the Company a written report which provides details relating to the nature of the complaint and the corrective action taken to prevent the reoccurrence of the event giving rise to the complaint. Franchisee shall notify the Company, within ten (10) days, of any legal action

against the Franchised Business and shall provide status reports as required by the Company.

- (f) The operation of the Franchised Business shall in all respects comply with the applicable rules and regulations of the various local, state, and federal agencies which regulate the operation of home inspection businesses. This includes, but is not limited to, any such licensing, registration or certification requirements.

11.) SUPPLIES

(01) The Company shall provide the Franchisee lists of approved suppliers of forms, signs, supplies, marketing materials, and other items, including computer hardware and software, and insurance necessary to operate the Franchised Business. The Company will revise the approved supplier lists from time to time in its sole discretion. The approved source of supply for any individual item may be the Company, an affiliate of the Company, or an independent contractor.

(02) The Franchisee shall obtain the Company's written approval prior to the use of any supplier not previously approved by the Company and as a precondition to the granting of such approval, may require the Franchisee to submit to the Company samples, photographs, and/or other information concerning the products and/or supplies. The Company will advise the Franchisee in writing within a reasonable time whether the requested supplier and/or product meets the Company's specifications. Updated lists of approved suppliers and products will be transmitted to the Franchisee on a periodic basis. Furthermore, the Franchisee shall have the right at any time to request an updated list of approved suppliers from the Company.

(03) The Company shall not be liable to the Franchisee for damages caused by the failure of the Company or an approved supplier to make available for purchase any item, unless the failure is the result of factors within the Company's reasonable control.

12.) FINANCIAL INFORMATION, DEPOSITS, REPORTS, AND AUDITS

(01) The Franchisee shall maintain its books and records in the manner reasonably required by the Company. The Company has established a contact management and reporting system which shall be used by all franchisees. The Franchisee shall utilize the system in a manner approved by the Company and pay for the purchase and installation of hardware and software, which may be necessary for use with such system.

(02) The Franchisee shall maintain a separate bank account for the Franchised Business and shall deposit to that account all revenues received by the Franchised Business in a timely manner (not less than once each week). At all times, the Franchisee shall maintain a minimum balance of Five Hundred Dollars (\$500) in that account. The Franchisee shall notify the Company of the bank in which the account is maintained, as well as the account number, and shall notify the Company at least ten (10) days prior to making any material change in the account, including the name of any signatory on the account or the location of the account.

(03) The Franchisee shall provide the Company with such weekly, monthly, quarterly, and annual financial and sales information relating to the Franchised Business from time to time as may be reasonably required by the Company. All financial and sales information to be delivered to the Company shall be in the form and by the means of communication required by the Company. All monthly financial and sales information shall be prepared in accordance with generally accepted accounting principles and in the form prescribed by the Company and shall be received by the Company no later than the twentieth

(20th) day of the following month. At least annually at such time designated by the Company, but not later than ninety (90) days after the fiscal year end of the Franchisee, the Franchisee shall deliver to the Company annual financial statements, including statements of operation of the Franchised Business prepared in accordance with generally accepted accounting principles.

(04) The Company shall have the right to audit or cause to be audited the sales reports and financial statements delivered to the Company, and the books, records and sales and income tax returns of the Franchisee and, if the Franchisee is a corporation, limited liability company or partnership, the owners, members or partners of the Franchisee (provided, however, the Company shall only have this right to audit the tax returns of the owners, members, or partners of the Franchisee if the Company's investigation of the books, statements and other records of the Franchisee discloses errors in reported gross sales of the Franchisee). The cost of the audit, up to \$2,000 shall be paid by the Franchisee. If any audit discloses an understatement of the Gross Receipts of the Franchised Business for any period or periods, the Franchisee, within ten (10) days of receipt of the audit report, shall pay to the Company the Advertising Contributions and earned service fees, if any, due on the previously unreported Gross Receipts, plus interest from the due date at the maximum rate permitted by law, not to exceed one and one half percent (1-1/2%) per month. In addition, if an understatement for any period equals three percent (3%) or more of the Gross Receipts of the Franchised Business for the period, the Franchisee shall reimburse the Company for the full cost of the audit, including, without limitation, the charges of any independent accountant and the travel expenses, room and board, and compensation of persons employed by the Company to make the audit. Reimbursement to the Company for the costs of the audit shall be made upon the receipt of an invoice therefor. Such costs not reimbursed within ten (10) days of receipt of an invoice shall bear interest from the due date at the maximum rate permitted by law, not to exceed one and one half percent (1-1/2%) per month.

13.) INSURANCE

(01) At all times during the Term of the Franchise, the Franchisee shall maintain in force, errors and omissions insurance; general comprehensive public liability insurance against claims for bodily and personal injury, death and property damage caused by, or incurred in conjunction with, the operation of, or conduct of business by, the Franchisee; motor vehicle liability insurance; and workers' compensation insurance.

(02) All insurance coverage required above shall be maintained under one (1) or more policies of insurance containing the amounts and types of coverage from time to time prescribed by the Company. Such coverage must be obtained from insurance companies maintaining an A rating by Alfred M. Best & Company, Inc., or such other insurance companies approved in advance by the Company. All errors and omissions, and public liability and motor vehicle liability insurance policies, shall name the Company as an additional insured and shall provide that the Company receive ten (10) days' prior written notice of termination, expiration, reduction or cancellation of any such policy. The Franchisee shall submit to the Company, annually within thirty (30) days of the effective date of the policy, a copy of the certificate of or other evidence of the renewal or extension of each such insurance policy.

(03) If the Franchisee at any time fails or refuses to maintain any insurance coverage required by the Company, or fails to furnish satisfactory evidence thereof, the Company, at its option and in addition to its other rights and remedies hereunder, may obtain such insurance coverage on behalf of the Franchisee, and any costs of premiums incurred by the Company in connection therewith shall be paid by the Franchisee on demand.

14.) CONFIDENTIALITY AND IMPROVEMENTS BY THE FRANCHISEE

(01) The Franchisee acknowledges that all of the information it has now or obtains in the future concerning the System of Operation and the concepts and methods of promoting the Franchised Business, including but not limited to, all information, manuals, materials, expertise, intellectual property (regardless of form), Proprietary Software, inspection report forms and packaging is derived from the Company pursuant to this Agreement, and that such information will be treated in confidence. The Franchisee agrees never to, directly or indirectly, engage in or abet the misappropriation, or the disclosure, divulgence, or distribution of all or any part of the System of Operation and the concepts and methods of promoting franchises hereunder, except on a need to know basis as ordered by any regulator, or judicial authority having legal jurisdiction. Further, the Franchisee shall require all personnel employed in the Franchised Business, as a condition to their employment, to enter into an agreement, enforceable by the Company, to treat such information as confidential.

(02) Franchisee acknowledges and agrees that all writings and other original works of authorship, regardless of form, including, but not limited to, Proprietary Software programs, trademarks, copyrightable works, Internet Web pages or any other documents or information pertaining or relating to the Franchised Business or the System of Operation produced or authored by Franchisee during the Term of the Franchise shall be deemed by the parties to be works made for hire and the property of the Company. The Company shall have the absolute right to obtain and hold, in its own name, rights of copyright, trademark and/or other similar protections which may be available in the documents or works. Franchisee hereby agrees to cooperate and execute all documents necessary to perfect such rights in the Company.

(03) Franchisee hereby assigns to the Company its entire right, title and interest in any invention, technique, process, device, discovery, improvement or know-how hereafter made or conceived by Franchisee, his agents or employees, during the Term of the Franchise which in any way relates to the actual or anticipated present or future business of the Company or as suggested by or results from any activities performed by the Franchisee during the Term of the Franchise. Franchisee shall disclose any such invention, technique, process, device, discovery, improvement or know-how promptly to the Company. Franchisee shall, upon request, promptly execute all documents necessary to assign Franchisee's right, title and interest in and to any such invention technique, process, device, discovery, improvement or know-how to the Company and cooperate and take all steps necessary to enable the Company to secure patent, trademark, copyright or any other proprietary rights in the United States, Canada or foreign countries.

(04) Nothing in sub-paragraphs (01) or (02) above should preclude a franchisee utilizing a separate business entity from requesting, in writing, an approved vendor status from the Company. The Company agrees to not unreasonably restrict such approval, even where that status is sought for the purpose of developing products or offering services for sale to the franchise system.

(05) The Franchisee acknowledges and agrees that all information (including all customer data) contained in data bases prepared by the Franchisee in connection with the Franchised Business or by the Company, including but not limited to the Computer System, belongs to the Company, and the Company shall be allowed to access such information from Franchisee's computer data bases. The Company periodically will establish policies respecting the use of such information. If requested by the Company, Franchisee shall transfer this information to the Company in the frequency, form and manner prescribed by the Company.

15.) COMPETITION

The Franchisee acknowledges the Company must be protected against the potential for unfair competition by the Franchisee's use of the Company's training, assistance and trade secrets in direct competition with the Company. The Franchisee therefore agrees that it shall not, during the Term of the Franchise, either directly or indirectly, operate, own, be employed by, or consult with, any business conducting any type of residential inspections, or offering residential and commercial building inspection services and other related services permitted under this Agreement, other than one operated under this Agreement with the Company. Further, the Franchisee agrees that it shall not, for a period of one year following the effective date of termination or expiration of this Agreement or following the assignment (unless waived in writing by the Company) of the Franchise Agreement or the Franchised Business, either directly or indirectly, operate, own, be employed by, or consult with, any business conducting any type of residential and commercial building inspections, or providing residential or commercial property inspection services, within the Designated Territory, within ten (10) miles of the Designated Territory, or within a radius of ten (10) miles from the location of any other AmeriSpec® office in existence at the time of expiration, termination, or assignment of this Agreement.

16.) ASSIGNMENT

(01) This Agreement is fully assignable by the Company, and shall inure to the benefit of any assignee or other legal successor in interest of the Company.

(02) No Franchisee, partner (if the Franchisee assigns this Agreement to a partnership), shareholder (if the Franchisee assigns this Agreement to a corporation), or member (if the Franchisee assigns this Agreement to a limited liability company) without the prior written consent of the Company, by operation of law or otherwise, shall sell, assign, convey, give away, or encumber to any person, company or partnership or other legal entity, its interest in this Agreement or its interest in the Franchise granted hereby or its interest in any proprietorship, partnership, limited liability company or corporation which owns any interest in the Franchise. Any purported assignment not having the necessary consent shall be null and void and shall constitute a material default hereunder.

(03) The Company shall not unreasonably withhold its consent to any assignment of less than one-half (1/2) of the beneficial interest in the Franchise or the Franchised Business, provided such assignment is not part of a series of assignments intended to evade this provision, and further provided:

- (a) The assignee shall enter into a written agreement with the Company, in a form satisfactory to the Company, assuming and/or guaranteeing all of the Franchisee's obligations hereunder;
- (b) Any defaults under this Agreement on the part of the Franchisee have been remedied; and
- (c) Such other reasonable conditions as may be required by the Company in connection with the assignment have been satisfied.

This paragraph should not be construed to provide Franchisee a right to assign a portion of the Designated Territory to a third party who will operate independent of Franchisee. An assignment of less than all of the beneficial interest in the Franchise or Franchised Business must operate under the terms of this Agreement, and with Franchisee, to fulfill the obligation herein.

(04) If an assignment, alone or together with other previous, simultaneous, or proposed assignments, would have the effect of assigning one-half (1/2) or more of the beneficial interest in the

Franchise or the Franchised Business, the Company will not unreasonably withhold its consent to the assignment if all of the following conditions and requirements have been satisfied:

- (a) The assignee shall be of good moral character and reputation, shall have a good credit rating, financial capabilities and competent business qualifications reasonably acceptable to the Company. The Franchisee shall provide the Company with the information it may reasonably require to make a determination concerning the proposed assignee;
- (b) In addition, the assignee or a designated representative of the assignee approved by the Company to manage the Franchised Business must satisfactorily complete the Company's training program (and pay to the Company its then current training fee) before the assignee may assume responsibility for the operation of the Franchised Business;
- (c) The assignee, including all shareholders, members or partners of the assignee, enter into a written agreement, in form satisfactory to the Company, assuming all of the Franchisee's obligations under this Agreement for the remainder of the Term of the Franchise or, at the Company's option, signs the Company's then-current version of franchise agreement;
- (d) The Franchisee shall have fully paid and satisfied all of the Franchisee's obligations to the Company and the Franchisee shall fully pay to the Company an assignment fee of Six Thousand Dollars (\$6,000); provided, however, the Franchisee shall not be required to pay an assignment fee in the event the assignee is a spouse or an adult child (at least eighteen (18) years old) of the Franchisee;
- (e) If the Franchisee assigns more than one franchise at the same time to the same entity, only one assignment fee shall be charged. If the amount of the assignment fee differs among the agreements assigned, the fee paid shall be the higher of the fees.
- (f) If the assignee is a corporation, limited liability company or partnership, all the shareholders, members or partners of the assignee shall enter into a written agreement, in the form attached hereto as Exhibit B, jointly and severally guaranteeing the full payment and performance of the assignee's obligations to the Company and agreeing to be personally bound by all covenants and restrictions imposed upon the assignee under the terms of this Agreement;
- (g) If the assignment is caused by the death or incapacity of the Franchisee (or in the case of a partnership, limited liability company or corporation, by the death or incapacity of one controlling more than one-half (1/2) or more of the voting interest of the Franchisee), the provisions of this subparagraph (04) must be met with regard to the heir or personal representative of the Franchisee succeeding to the Franchisee's interest hereunder; provided, however, if the heir or personal representative assigns or sells its interest in the Franchise within ninety (90) days after the death or incapacity of the Franchisee, the person to whom the interest is assigned or sold, and not the Franchisee's heir or personal representative, must comply with the provisions of this subparagraph (04) as assignee;
- (h) The Franchisee shall execute a general release of the Company and its officers and directors in form and substance satisfactory to the Company; and
- (i) The assignee must update the Computer System of the Franchised Business to the Company's then-current standards.

(05) The Franchisee will not sell, assign or transfer this Agreement, any interest in the Franchisee or the Franchised Business, or any assets or accounts, including but not limited to the customer list, of the Franchisee or the Franchised Business, to any person, partnership, corporation or entity that owns, operates, franchises, develops, consults with, manages, is involved in, or controls any business that is in any way competitive with the Company or the Franchised Business. If the Company refuses to permit an assignment or transfer based upon this provision, the Franchisee's only remedy will be to have a court of competent jurisdiction determine whether the proposed transferee is a competitor of the Company.

(06) The Franchisee acknowledges and agrees that the restrictions imposed by the Company on assignments or transfers are reasonable and necessary to protect the goodwill associated with the Company's business operation and the Names and Marks, as well as the Company's reputation and image and are for the protection of the Company and all franchisees that own and operate AmeriSpec businesses. Any attempted assignment or transfer made without complying with the requirements of this Paragraph 16 will be void.

17.) RIGHT OF FIRST REFUSAL

If, at any time during the Term of the Franchise, the Franchisee receives a bona fide offer to purchase the Franchise or the Franchised Business, which offer the Franchisee is willing to accept, the Franchisee shall communicate in writing to the Company the full terms of the offer and the name of the offeror. The Company may elect to purchase the Franchised Business on the terms set forth in the offer. If the Company elects to purchase the same, it shall give the Franchisee written notice of the election within twenty (20) days after the Company receives the Franchisee's communication of the offer. If the Company fails to give written notice of election within twenty (20) days, the Franchisee may sell to the offeror on the terms offered, subject to the provisions relating to assignment. The sale must, however, be completed within sixty (60) days of the termination of the twenty (20) day period during which the Company may give written notice of election to purchase; otherwise, an additional notice must be given to the Company and an additional option period must expire prior to any such assignment. If the Company elects to purchase the Franchised Business, it shall have the right to substitute equivalent cash for any non-cash consideration included in the bona fide offer to purchase and the Company and the Franchisee will use their best efforts to complete the purchase within sixty (60) days from the date of the Company's notice of election to purchase.

18.) PRE-TERMINATION OPTIONS OF THE COMPANY

Prior to the termination of this Agreement, if the Franchisee fails to pay any amounts owed to the Company or its affiliates, or fails to comply with any term of this Agreement, then in addition to any right the Company may have to terminate this Agreement or to bring a claim for damages, the Company shall also have the option:

- (01) To cease providing AmeriSpec® Reports to the Franchisee; and
- (02) To suspend all services provided to the Franchisee under this Agreement or otherwise, including but not limited to training, marketing assistance, and the sale of marketing materials and other products and supplies.
- (03) Reduce and/or restructure the size of or eliminate the Designated Territory should the Franchisee fail to meet any of the requirements stated in Section 19(02) (p)-(q).