

EXHIBIT G

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT FOR PILLAR TO POST INC.

THIS AGREEMENT, made and entered into on _____ by and between PILLAR TO POST INC., a Delaware corporation, with its principal place of business at 13902 North Dale Mabry Hwy., Suite 300, Tampa, FL 33618 ("Franchisor"), and _____ ("Franchisee") with reference to the following facts:

A. As the result of the expenditure of time, skill, effort, and money, Franchisor has developed a distinctive system relating to the establishment and operation of a Pillar To Post[®] home inspection franchise offering residential inspection services for single family and various multi-family residences utilizing specially developed methods and procedures (the "Pillar To Post[®] System");

B. The Pillar To Post[®] System consists of distinctive methods and procedures for the inspection of a building's plumbing, heating, air conditioning and electrical systems, interior walls, ceilings, and floors and roof and exterior walls, structure; specially designed forms and computer programs and software for the efficient operation of the business; an instructional manual and training courses; and specially designed procedures for the promotion and rendering of the services of the business;

C. The distinguishing characteristics of the Pillar To Post[®] System include, without limitation, distinctive products and services, uniform standards, specifications, and procedures for operations; procedures for inventory and management control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed from time to time;

D. The Pillar To Post[®] System is identified by the service mark "Pillar To Post[®]", and such other trade names, service marks, trademarks, logos, emblems, domain names, and indicia of origin as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the Pillar To Post[®] System (the "Proprietary Marks");

E. Franchisee desires to enter into the business of operating a Pillar To Post[®] home inspection franchise under the Pillar To Post[®] System and using the Proprietary Marks, and wishes to enter into an agreement with Franchisor for that purpose, and to receive the training and other assistance provided by Franchisor in connection therewith; and

F. Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearance, and service, and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.

THEREFORE, the parties agree as follows:

1. GRANT OF FRANCHISE

1.1 Franchisor grants to Franchisee the right and Franchisee undertakes the obligation, upon the terms and conditions set forth in this Agreement: (a) to establish and operate a

franchise business in accordance with the Pillar To Post® System and in association with the Proprietary Marks (hereinafter referred to as "Pillar To Post® home inspection franchise"), and (b) to use the Proprietary Marks and the Pillar To Post® System solely in connection therewith.

1.2 Franchisee shall maintain all documents, books, records and accounts, including, but not limited to, any manuals and proprietary computer software relating to the Pillar To Post franchise, only at _____, _____, _____ (the "Approved Location" and sometimes referred to herein as the "Premises"). Franchisee shall operate the Pillar To Post franchise only within the territory which is described in Exhibit "A" attached hereto and incorporated herein by reference (the "Territory"), and not otherwise, notwithstanding the location of the Approved Location.

1.3 If at the time this Agreement is executed an Approved Location has not been obtained by Franchisee, Franchisee shall acquire through purchase or lease within sixty (60) days following the execution hereof, a location meeting Franchisor's then-current standards and specifications as determined by Franchisor in its sole subjective discretion exercised in good faith, located within the Territory or such other area as Franchisor may approve in writing. Franchisor shall have the right, but not the obligation, to extend the sixty (60) day period described in this Section 1.3 if Franchisor determines, in its sole subjective discretion, that Franchisee's failure to locate an Approved Location within the prescribed time period did not result from Franchisee's failure to exercise due diligence or use its best efforts. Franchisee shall not enter into any such lease or purchase agreement unless Franchisee shall have first: (a) notified Franchisor in writing of the proposed location and provided Franchisor with all information which Franchisor may request concerning such proposed location, (b) received Franchisor's written approval of such location, and (c) received Franchisor's written approval of the Premises lease, and such location shall be deemed to be the "Approved Location" as defined in Section 1.2 above.

1.4 During the Initial Term of this Agreement, and any Renewal Term, provided that the Franchisee is not in default of any provisions of this Agreement, Franchisor shall not establish or operate, nor license any other person or entity to establish or operate, a Pillar To Post® home inspection franchise using the Pillar To Post® System and the Proprietary Marks at any location within the Territory. Notwithstanding the foregoing, Franchisor may itself establish or operate, and may license any other person or entity to operate a Pillar To Post® home inspection franchise using the Pillar To Post® System and Proprietary Marks outside of the Territory, including areas adjacent to or near the Territory.

1.5 Franchisor may from time to time, add to, amend, modify, delete or enhance any portion of the Pillar to Post® System (including the "Proprietary Marks") as may be necessary in Franchisor's sole subjective judgment, to change, maintain, modify, improve or enhance the Pillar to Post® System, trade names or the reputation, efficiency, competitiveness and/or quality of the Pillar To Post® System, or to adapt it to new conditions, materials or technology, or to better serve the public. Franchisee acknowledges that the Pillar To Post® System may be supplemented, improved, and otherwise modified from time to time by Franchisor; and Franchisee agrees to comply with all reasonable requirements of Franchisor in that regard, including, but not limited to, offering and selling new or different products or services as

specified by Franchisor.

2. TERM AND RENEWAL

2.1 This Agreement shall be in effect upon its execution by Franchisor and Franchisee and, except as otherwise provided herein, the term of this Agreement shall be five (5) years from the date first above written (the "Initial Term").

2.2 This Agreement may be renewed for consecutive renewal terms of five (5) years each ("Renewal Term"), provided the following conditions are met prior to the expiration of this Agreement or of the term being renewed:

2.2.1 Franchisee shall give Franchisor written notice of Franchisee's election to renew not more than one (1) year nor less than six (6) months prior to the end of the Initial Term or applicable renewal term of this Agreement;

2.2.2 Franchisee shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates; and Franchisee shall have complied with all the terms and conditions of such agreements during the terms thereof;

2.2.3 Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates, and shall have timely met those obligations throughout the term of this Agreement or the applicable renewal agreement;

2.2.4 Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the Approved Location for the duration of the renewal term or shall obtain Franchisor's approval of a new location for the Pillar To Post® home inspection franchise for the duration of the Renewal Term;

2.2.5 Franchisee shall execute Franchisor's then-current form of franchise agreement, modified or set forth in this subparagraph 2.2.5, which shall supersede this Agreement in all respects (the "Renewal Franchise Agreement"), and which may contain terms substantially different than contained in this Agreement. Except for the modifications set forth herein, the rights and obligations of the Franchisee upon renewal shall be identical to the rights and obligations of franchisees as set forth in Franchisor's then-current form of Franchise Agreement being offered to new franchisees at the time of the exercise of this option to renew, including, but not limited to, the then-current royalty fees and brand fees. The Renewal Franchise Agreement shall differ, and be modified, from Franchisor's then-current Franchise Agreement so that all references to a renewal term contained in the Renewal Franchise Agreement shall be modified such that Franchisee shall have had, in the aggregate, no more than five (5) renewal terms of five (5) years each;

2.2.6 Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective

officers, directors, agents, and employees; and

2.2.7 Franchisee shall comply with Franchisor's then-current qualification and training requirements.

2.3 Franchisee shall pay Franchisor an administrative fee of Two Thousand Five Hundred Dollars (\$2,500) to cover the legal and administrative costs involved in the renewal of franchise. The administrative fee must accompany the Franchisee's written notice to renew as required under subparagraph 2.2.1 of this Section.

2.4 The Franchisor, in its sole discretion, may waive any or all of the conditions in Sections 2.2.1 to 2.2.7.

3. DUTIES OF FRANCHISOR

3.1 Franchisor shall provide training as set forth in Section 6 of this Agreement.

3.2 Franchisor shall make available to Franchisee advertising and promotional materials as provided in Section 12.4 of this Agreement.

3.3 Franchisor shall provide Franchisee, on loan, one (1) copy of Franchisor's Confidential Operations Manual (the "Manual"), as more fully described in Section 9 of this Agreement. A security deposit of \$250.00 must be paid by Franchisee to Franchisor to secure return of the Manual upon the conclusion of the franchise relationship.

3.4 Franchisor shall provide Franchisee with certain proprietary computer software.

3.5 Franchisor may, in its sole discretion, provide to Franchisee from time to time, advice and written materials concerning techniques of managing and operating the Pillar To Post® home inspection franchise, including, but not limited to, required and suggested inventory and sales methods, and new developments in products and marketing techniques.

3.5.1 Franchisor may, in its sole discretion, provide to Franchisee from time to time, advice and written materials which constitute technical support of the Franchisee's operation of the home inspection service. However, such support will be geared toward general conditions and standards; cannot address the specific codes, standards, or regulations with respect to an individual jurisdiction or municipality; and is not intended to substitute for the Franchisee's obligation to seek additional training and support from professional associations or other sources of continuing education.

3.5.2 Similarly, Franchisor may, in its sole discretion, provide to Franchisee from time to time, advice and written materials which constitute legal support of the Franchisee's operation of the home inspection service. However, such legal support will be geared toward matters of general application. Franchisee remains responsible for obtaining legal advice from an attorney of Franchisee's choosing, which advice shall be

specific to Franchisee's jurisdiction and individual circumstances, including advice as to the laws regulating home inspection and the operation of Franchisee's business.

3.5.3 Franchisor, through its training and Manual, provides general accounting advice to Franchisee with respect to the operation of the Franchised Business. This assistance is not intended to be specific to any individual operation. Franchisee remains responsible for seeking advice and assistance from a qualified accountant of Franchisee's choice, with respect to all matters concerning the operation of the Franchised Business.

3.6 Franchisor shall conduct, as it deems advisable, inspections of Franchisee's operation of the Pillar To Post® home inspection franchise.

4. FEES

4.1 In consideration of the home inspection franchise granted herein, Franchisee shall pay to Franchisor an initial franchise fee of Twenty-Nine Thousand Nine Hundred Dollars and no cents (\$29,900.00), plus any applicable taxes, payable concurrently with the execution of this Agreement (the "Initial Fee"), less any deposit previously paid. Except as herein expressly provided, this fee is not refundable in whole or in part, and shall be deemed fully earned by Franchisor upon execution of this Agreement.

4.2 Franchisee shall pay to Franchisor a continuing monthly Royalty Fee equal to seven (7%) percent of the Gross Revenues of the Pillar To Post® home inspection franchise, or a minimum monthly Royalty Fee of Two Hundred Dollars (\$200.00) per month, whichever is greater, computed from the first (1st) day of the next month after the completion of Franchisor's mandatory Training Program, as more particularly described in Article 6 of this Agreement. The minimum monthly Royalty Fee will be waived for the first two (2) full months of operation of each newly created franchise territory. As used herein, "Gross Revenues" with respect to any period means (a) all revenue received by Franchisee during such period from the sale of all services and products sold or rendered by the Pillar To Post® home inspection franchise, whether for cash, credit, check or barter and regardless of collection in the case of credit, and all other income of every kind and nature related to the Pillar To Post® home inspection franchise. The only sums to be excluded from the "Gross Revenues" calculations shall be those sales taxes or other taxes collected by Franchisee during such period from customers of the Pillar To Post® home inspection franchise for transmittal to the appropriate taxing authority.

4.3 The Pillar To Post® home inspection franchise must generate Gross Revenues of at least: (a) Thirty Thousand Dollars (\$30,000) in the first twelve (12) months after execution of this Agreement; (b) Forty Thousand Dollars (\$40,000) in the second twelve (12) months after execution of this Agreement; (c) Fifty Thousand Dollars (\$50,000) in the third twelve (12) months after execution of this Agreement; (d) Sixty Thousand Dollars (\$60,000) in the fourth twelve (12) months after execution of this Agreement; and (e) Eighty Thousand Dollars (\$80,000) in the fifth twelve (12) months after execution of this Agreement. In the event the Pillar To Post® home inspection franchise fails to generate the minimum Gross Revenues required for any particular twelve (12) month period of operation, Franchisee shall pay to Franchisor a minimum yearly Royalty Fee equal to seven percent (7%) of the minimum Gross

Revenues required for that particular twelve (12) month period of operation less the total amount of monthly Royalty Fees paid by Franchisee for that particular twelve (12) month period of operation. Sales volume requirements for renewal terms (or for Franchisees who acquired their Franchised Business through transfer from a Franchisee, rather than from the Franchisor) shall be modified to reflect the potential of an established market place, and such requirements shall be set forth in an Addendum to the renewal Franchise Agreement.

4.4 Franchisee shall make monthly and, if applicable, yearly payments of Brand Fees for promotion and advertising as specified in Sections 12.1 and 12.2 of this Agreement.

4.5 All monthly payments required by this Section 4 shall be paid by the tenth (10th) day of each month, for the preceding month, and shall be submitted to Franchisor, together with any reports or statements required under Section 11.3 of this Agreement. The minimum yearly Royalty Fee, if owed in accordance with Section 4.3 of this Agreement, and the minimum yearly Brand Fee, if owed in accordance with Section 12.2 of this Agreement, shall be paid by the twentieth (20th) day of the first month following the end of each twelve (12) month period of operation. Any payment or report not actually received by Franchisor on or before such date shall be deemed overdue if not postmarked at least four (4) days prior thereto. If any payment is overdue, Franchisee shall pay Franchisor immediately upon demand, in addition to the overdue amount, as liquidated damages, interest on such amount from the date it was due until paid, at the rate of eighteen (18%) percent per annum calculated daily, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have. Franchisee shall not be entitled to set-off any payments required to be made under this Section 4 against any monetary claim it may have against Franchisor.

5. RENOVATION AND OPENING OF THE PILLAR TO POST® FRANCHISE

5.1 Franchisee shall be responsible, at Franchisee's expense, for obtaining all zoning classifications, permits, and clearances, including, but not limited to, certificates of occupancy and mall clearances, which may be required by federal, state, municipal or local laws, ordinances, or regulations, or which may be necessary or advisable owing to any restrictive covenants relating to the Premises of the Pillar To Post® home inspection franchise or required by the lessor.

5.2 Franchisee shall obtain Franchisor's written approval prior to opening the Pillar To Post® home inspection franchise, which approval shall not be unreasonably withheld, and shall open the Pillar To Post® home inspection franchise not later than one hundred twenty (120) days after the execution of this Agreement. The parties agree that time is of the essence in the opening of the Pillar To Post® home inspection franchise.

5.3 Not less than thirty (30) days prior to the opening date of the Pillar To Post® home inspection franchise, Franchisee shall order from Franchisor or its designated suppliers such initial inventory of the Proprietary Products and equipment as prescribed by Franchisor in the Manual or otherwise in writing, and as provided in Section 7.4 of this Agreement. Franchisee shall provide to Franchisor reasonable and timely proof of such orders.

6. TRAINING

6.1 Prior to the opening of the Pillar To Post® home inspection franchise, Franchisee (or, if Franchisee is a corporation, the manager designated by Franchisee acceptable to Franchisor and satisfying the provisions of Section 17.1, or if a Partnership, then 50% of all partners) shall attend and complete to Franchisor's satisfaction the Initial Training Program for franchisees and managers offered by Franchisor. The Initial Training Fee is included in the Franchise Fee.

6.2 All Pillar To Post® sponsored training programs shall be at such times and places as may be designated by Franchisor. For Franchisees taking the initial training course, Franchisor shall provide instructors and training materials, lodging, and meals for the duration of the program; Franchisee shall be responsible for all other expenses incurred by them, including the costs of transportation to the training site. For employees, business partners, and others who are taking the required initial training course, Franchisor shall provide instructors and training materials; and, Franchisee or its employees shall be responsible for any and all other expenses incurred by them in connection with any such courses, seminars, and programs, including, but not limited to, the costs of transportation, lodging, meals, and wages. For such additional required training courses, seminars, and programs as Franchisor may in its sole discretion provide, including regional training programs and the biennial convention, Franchisor shall provide instructors and training materials; and Franchisee or its employees shall be responsible for any and all other expenses incurred by them in connection with any such courses, seminars, and programs, including, but not limited to, the costs of transportation, lodging, meals, and wages.

6.3 Franchisor has established minimum continuing education requirements which are more fully described in the Manual and which may be revised from time to time. Franchisee or Franchisee's manager and other employees are required to meet or exceed these requirements, either through attendance at such additional courses, seminars, and other training programs as Franchisor may in its sole discretion provide or reasonably require from time to time, or through training programs sponsored by professional associations for home inspectors.

6.4 All persons working as home inspectors for Franchisee shall affiliate themselves with a professional organization appropriate to their geographical location and to the Franchised Business. Franchisee shall provide Franchisor with evidence of application for membership in such association or associations and shall keep Franchisor advised as to Franchisee's membership status in such organization. Franchisee shall insure that all inspectors employed in the Franchised Business maintain affiliation with a professional association of home inspectors.

7. DUTIES OF FRANCHISEE

7.1 Franchisee understands and acknowledges that every detail of the Pillar To Post® home inspection franchise is important to Franchisee, Franchisor, and other franchisees in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all Pillar To Post® home inspection franchises operating under the Pillar To Post® System, and to protect Franchisor's reputation and goodwill. Franchisee shall maintain Franchisor's high standards with respect to facilities, services, products, and operations.

Franchisee shall operate the Pillar To Post® Franchise in compliance with the Pillar To Post® System.

7.2 Franchisee shall keep the Pillar To Post® home inspection franchise open and in normal operation for such minimum hours and days as Franchisor may specify; shall refrain from using or permitting the use of the Premises for any other business purpose or activity at any time without first obtaining the written consent of Franchisor; and shall operate the Pillar To Post® home inspection franchise in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manual or otherwise in writing. Franchisee shall refrain from deviating from such standards, specifications, and procedures without Franchisor's prior written consent.

7.3 Franchisee shall sell through the Pillar To Post® home inspection franchise only such products and services as have been expressly approved in writing by Franchisor. Franchisee shall refrain from selling any other kind of product or service without Franchisor's prior written consent; and shall discontinue selling or offering for sale any products or services which Franchisor, in its sole discretion, disapproves in writing at any time. Franchisee shall have sole discretion as to the prices of all goods and services to be offered and sold by it to its customers.

7.3.1 Franchisee shall not directly or indirectly, whether for remuneration or otherwise howsoever, recommend Franchisee, or any other franchisee of Franchisor, or any other person, partnership, firm, unincorporated association, corporation, or syndicate, to effect repairs or cure any defects which the inspection prepared by Franchisee may directly or indirectly disclose, without Franchisor's written approval.

7.4 Franchisee acknowledges that (i) the residential inspection services for single family and various multi-family residences offered and sold under the Pillar To Post® System are prepared from proprietary methods and procedures exclusively developed and owned by Franchisor ("Proprietary Services"), (ii) any specialized products or equipment for the Pillar To Post® home inspection franchise offered and sold under the Pillar To Post® System, including, but not limited to, the Pillar To Post® home inspection report form, are produced or manufactured using proprietary marks and designs exclusively developed and owned by Franchisor ("Proprietary Products"), and (iii) Franchisee has entered into this Agreement in order to obtain the right to offer and sell such products sold under the Pillar To Post® System and provide residential inspection services for single family and various multi-family residences using Proprietary Services and Proprietary Products. In order to protect Franchisor's interest in the Proprietary Services and Proprietary Products and to ensure the quality, uniformity, and distinctiveness of the Proprietary Services and Proprietary Products, Franchisee agrees:

7.4.1 To provide residential inspection services for single family and various multi-family residences using only the Proprietary Services and Proprietary Products, Franchisor's approved business practices and applying and selling only the Proprietary Products, to the extent such products continue to be available to Franchisee from Franchisor or its designated supplier, and such other equipment and products which may from time to time be expressly approved in writing by Franchisor for use and/or sale at the Pillar To Post® home inspection franchise.

7.4.2 To purchase solely from Franchisor or suppliers designated by Franchisor such Proprietary Products and other materials, or supplies as may be specified by Franchisor in writing from time to time.

7.5 Franchisor shall not be liable to Franchisee, or be deemed to be in default of this Agreement, for any delay or failure of delivery of any products or services supplied by Franchisor to Franchisee resulting from any cause beyond Franchisor's reasonable control, including, but not limited to, weather conditions, acts of God, laws, regulations, or government orders, labor disputes, shortages of materials, war, acts of terrorism, or civil unrest.

7.6 All products and services sold or offered for sale by the Pillar To Post® home inspection franchise shall meet Franchisor's then-current standards and specifications, as established in the Manual or otherwise in writing by Franchisor. Franchisee shall purchase all products and services not covered in Section 7.4 solely from suppliers who demonstrate to Franchisor's continuing reasonable satisfaction the ability to meet Franchisor's standards and specifications, who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably, and who have been approved by Franchisor in the Manual or otherwise in writing. If Franchisee desires to purchase products or services from other than approved suppliers, Franchisee shall submit to Franchisor a written request to approve the proposed supplier, together with such information as Franchisor may reasonably require. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to Franchisor or to an independent testing facility designated by Franchisor. A charge not to exceed the reasonable cost of the evaluation and testing shall be paid by Franchisee. Franchisor shall, within ninety (90) days after its receipt of such completed request and completion of such evaluation and testing (if required by Franchisor), notify Franchisee in writing of its approval or disapproval of the proposed supplier. Approval shall not be unreasonably withheld. Franchisee shall not sell or offer for sale any products or services of the proposed supplier until Franchisor's written approval of the proposed supplier is received. Franchisor may from time to time revoke its approval of particular products or suppliers when Franchisor determines in its sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee shall cease to purchase from the disapproved supplier.

7.7 At the time the Pillar To Post® home inspection franchise opens, Franchisee shall stock and display the initial inventory of approved products prescribed by Franchisor in the Manual or otherwise in writing. Thereafter, Franchisee shall stock and maintain all types of approved products in quantities sufficient to meet reasonably anticipated customer demand.

7.8 Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, equipment (including, but not limited to, a telephone, computer with Internet access, and Franchisor's proprietary software), decor, and signs as Franchisor may reasonably direct from time to time; and shall refrain from installing or permitting to be installed on or about the Premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor, signs, or other items not previously approved as meeting Franchisor's standards and specifications.

7.9 Franchisee shall permit Franchisor and its agents to enter upon the Premises at any time during normal business hours for the purpose of conducting inspections; shall cooperate with representatives of Franchisor in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right, but not the obligation, to correct any deficiencies which may be susceptible to correction by Franchisor and to charge Franchisee a reasonable fee for Franchisor's expenses in so acting, payable by Franchisee upon demand. The foregoing shall be in addition to such other remedies Franchisor may have.

7.10 Franchisee shall ensure that all advertising and promotional materials, signs, decorations, and other items specified by Franchisor bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor in this Agreement, in the Operations Manual or otherwise in writing.

7.11 Franchisee shall maintain the Premises (including adjacent public areas) in a clean, orderly condition and in excellent repair; and, in connection therewith, Franchisee shall, at its expense, make such additions, alterations, repairs, and replacements thereto (but no others without Franchisor's prior written consent) as may be required by Franchisor for that purpose, including, but not limited to, such periodic repainting or replacement of obsolete signs, furnishings, equipment, and decor as Franchisor may reasonably direct.

7.12 Franchisee shall maintain a competent, conscientious, trained staff, including a fully trained, full-time manager, which may be Franchisee. Franchisee shall take such steps as are necessary to ensure that its employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet such minimum standards as Franchisor may establish from time to time in the Manual or otherwise in writing. Franchisee and its employees shall handle all customer complaints, refunds, returns, and other adjustments in a manner that will not detract from the name and goodwill of Franchisor. Franchisee shall be solely responsible for all employment decisions and functions of the Pillar To Post® home inspection franchise, including, but not limited to, those related to hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees. Franchisee shall ensure that no less than seventy-five percent (75%) of all Franchisee's employees, contract employees, partners, shareholders who perform inspections, officers and directors attend, and complete to Franchisor's sole subjective satisfaction, the Franchisor's Initial Training Program at the Franchisee's own expense. Franchisee is required to satisfactorily train, to the standards as may be established by Franchisor from time to time in its sole discretion, the remaining fifty (50%) percent of those persons who do not attend the Franchisor's Initial Training Program.

7.13 Franchisee shall not unilaterally implement any change, amendment, or improvement to the Pillar To Post® System, but shall forthwith implement any change, amendment, or improvement to the Pillar To Post® System as may be required by Franchisor.

7.14 Franchisee shall comply with all terms of its lease or sublease, and all other agreements affecting the operation of the Pillar To Post® home inspection franchise; shall undertake best efforts to maintain a good and positive working relationship with its landlord and/or lessor, and shall refrain from any activity which may jeopardize Franchisee's right to remain in possession of, or to renew the lease or sublease for, the Premises.

7.15 Franchisee shall be responsible for obtaining legal advice from an attorney of Franchisee's choosing, which advice shall be specific to the Franchisee's jurisdiction and individual circumstances, including advice as to the codes and laws regulating home inspection and the operation of Franchisee's business.

8. PROPRIETARY MARKS

8.1 Franchisor represents to Franchisee with respect to the Proprietary Marks that:

8.1.1 Franchisor is the owner of the Proprietary Marks;

8.1.2 Franchisor has the right to use, and to license others to use, the Proprietary Marks; and

8.1.3 Franchisor has taken and will take all steps reasonably necessary to preserve and protect the validity of the Proprietary Marks and Franchisor's right to use, and to license others to use, the Proprietary Marks.

8.2 With respect to Franchisee's use of the Proprietary Marks pursuant to this Agreement, Franchisee agrees that:

8.2.1 Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor;

8.2.2 Franchisee shall use the Proprietary Marks only for the operation of the Pillar To Post® home inspection franchise and only at the Approved Location, or in advertising for the Pillar To Post® home inspection franchise;

8.2.3 Franchisee will use the Proprietary Marks only in accordance with the Pillar To Post® System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks.

8.2.4 Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Pillar To Post® home inspection franchise only under the name "Pillar To Post®", and shall use all Proprietary Marks without prefix or suffix or any variation of any kind. Franchisee shall not use the Proprietary Marks, or any marks names or indicia which are or may be confusingly similar, as part of its corporate or other business or legal name, except as authorized in this Agreement;

8.2.5 Franchisee's right to use the Proprietary Marks is limited to such uses as are

authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of rights of Franchisor;

8.2.6 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

8.2.7 Franchisee shall comply with Franchisor's instructions in filing and maintaining any requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability; and

8.2.8 Franchisee shall promptly notify Franchisor of any unauthorized use of the Proprietary Marks, any challenge to the validity or enforceability of the Proprietary Marks, or any challenge to Franchisor's ownership of, or Franchisor's right to use and to license others to use, or Franchisee's right to use, the Proprietary Marks. Franchisee acknowledges that Franchisor has the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. Franchisor has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. Franchisor shall defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Proprietary Marks. If Franchisor, in its sole discretion, determines that Franchisee has used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisor up to the amount of the Initial Fee. If Franchisor, in its sole discretion, determines that Franchisee has not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisee. In the event of any administrative proceeding or litigation relating to Franchisee's use of the Proprietary Marks, Franchisee shall execute any and all documents and do such acts as may, in the opinion of Franchisor, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a party to any legal action. Except to the extent that such administrative proceeding or litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for its out-of-pocket costs in doing such acts, up to the amount of the Initial Fee.

8.3 Franchisee expressly understands and acknowledges that:

8.3.1 Franchisor is the owner of all right, title, and interest in and to the Proprietary Marks, Franchisor is the owner of the goodwill associated with and symbolized by them, and Franchisor has the right to use, and license others to use, the Proprietary Marks;

8.3.2 The Proprietary Marks are valid and serve to identify the Pillar To Post[®] System and those who are authorized to operate under the Pillar To Post[®] System;

8.3.3 During the term of this Agreement and after its expiration or termination,

Franchisee shall not directly or indirectly contest the ownership, enforceability, or validity of, nor take any other action which tends to jeopardize Franchisor's ownership of, or Franchisor's right to use and to license others to use, the Proprietary Marks;

8.3.4 Franchisee's use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

8.3.5 Any and all goodwill arising from Franchisee's use of the Proprietary Marks under the Pillar To Post® System shall inure solely and exclusively to the benefit of Franchisor, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Pillar To Post® System or the Proprietary Marks;

8.3.6 Except as specified in Section 1.5 hereof, the right and license of the Proprietary Marks granted hereunder to Franchisee is non-exclusive, and Franchisor thus has and retains the rights, among others: (a) to use the Proprietary Marks itself in connection with selling products and services, including, but not limited to, the same or similar products to be sold by the Pillar To Post® home inspection franchise; (b) to grant other licenses for the Proprietary Marks; and (c) to develop and establish other Systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to Franchisee; and

8.3.7 Franchisor reserves the right to substitute different proprietary marks for use in identifying the Pillar To Post® System and the businesses operating thereunder if Franchisor, in its sole discretion, determines that substitution of different marks as Proprietary Marks will be beneficial to the Pillar To Post® System. Franchisee shall implement promptly any such substitution of new Proprietary Marks. Franchisor shall bear the costs of modifying Franchisee's signs and advertising materials to conform to Franchisor's new Proprietary Marks, but shall otherwise have no obligation or liability to Franchisee as a result of such substitution.

9. OPERATIONS MANUAL/COMPUTER SOFTWARE

9.1 In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the Pillar To Post® System, Franchisee shall operate the Pillar To Post® home inspection franchise in accordance with the standards, methods, policies, and procedures specified in the Manual, one (1) copy of which Franchisee shall receive on loan from Franchisor at the Initial Training Program referred to in subsection 6.1 hereof. Prior to receipt of the Manual, the Franchisee shall pay to Franchisor a deposit fee of Two Hundred Fifty Dollars (\$250.00) for the Manual.

9.2 Franchisee shall treat the Manual, any other manuals created for or approved for use in the operation of the Pillar To Post® home inspection franchise, and the information contained therein, as well as any and all proprietary computer software ("Software"), as confidential, and

shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person.

9.3 The Manual and Software, including the data generated by the Software, shall remain the sole property of Franchisor and shall be kept in a secure place on the Premises.

9.4 Franchisor may from time to time revise the contents of the Manual and Software, and Franchisee expressly agrees to comply with each new or changed standard.

9.5 Franchisee shall ensure that the Manual and Software is kept current at all times. In the event of any dispute as to the contents of the Manual and Software, the terms of the master copy maintained by Franchisor at Franchisor's home office shall be controlling.

9.6 Franchisor reserves the right to amend all manuals and written requirements, and the right to modify standards for construction, furnishings, maintenance, repair, and operation deemed by Franchisor to be in the best interest of the System. Franchisee agrees to comply with any amendments or modifications. Franchisee shall deliver all manuals to Franchisor upon termination or transfer of the franchise. Prior to your receipt of the Manual or other manuals, you are required to pay to us a deposit fee of Two Hundred Fifty Dollars (\$250.00). In the event you do not renew your franchise or are terminated, you must return to us the Manual, or other manuals as defined herein, which are on loan to you. Upon receipt of the Manual, or other manuals as defined herein, by us, the deposit will be returned to you. The term "manuals" includes written information, audio and video recordings, photographs, DVD's, CD-ROM, computer disks, and other descriptions of methods, procedures, or techniques.

10. CONFIDENTIAL INFORMATION

10.1 Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised hereunder which may be communicated to Franchisee, which may become known to the Franchisee, or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement, or after the termination or expiration of this Agreement or any renewal hereof, use any such confidential information knowledge or know-how for itself or its business. Franchisee shall divulge such confidential information only to such of its employees or contract employees, or if Franchisee is a corporation, then to such officers, directors, and shareholders as must have access to it in order to operate the Pillar To Post® home inspection franchise. Any and all information, knowledge, know-how, techniques, and other data that Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement.

10.2 At Franchisor's request, Franchisee shall require its manager (if Franchisee is a corporation or partnership) and any personnel having access to any confidential information of Franchisor to execute covenants that they will maintain the confidentiality of information they

receive in connection with their employment by Franchisee at the Pillar To Post® home inspection franchise. Such covenants shall be in a form satisfactory to Franchisor including, but not limited to, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them.

11. ACCOUNTING AND RECORDS

11.1 Franchisee shall prepare, and shall preserve for at least seven (7) years from the dates of their preparation, complete and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing.

11.2 All Gross Revenues, state, county or municipal sales tax, and charges collected on behalf of third parties shall be recorded by Franchisee in accordance with the procedures prescribed in the Manual, or on such recording system as Franchisor may specify pursuant to Section 7.8 of this Agreement.

11.3 Franchisee shall, at Franchisee's expense, submit to Franchisor in the form prescribed by Franchisor, the following reports, financial statements, and other data:

11.3.1 No later than the tenth (10th) day of each month, reports accurately reflecting all Gross Revenues during the preceding calendar month;

11.3.2 Within ninety (90) days after the end of each fiscal year of the Pillar To Post® home inspection franchise, financial statements prepared on a review basis by an independent certified public accountant approved by Franchisor, showing the results of operations of the Pillar To Post® home inspection franchise during said fiscal year, including, but not limited to, a Statement of Income including Gross Revenues; and

11.3.3 Such other forms, reports, records, information, and management data as Franchisor may reasonably designate.

11.4 Franchisor and its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records, computer systems, computer records, accounts, and tax returns (the "Books") of the Pillar To Post® home inspection franchise. Franchisor shall also have the right, at any time, to have an independent audit made of the Books and records of the Pillar To Post® home inspection franchise. If an inspection should reveal that any payments have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, plus interest thereon from the date such amount was due until paid, at the rate of eighteen (18%) percent per annum calculated daily or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any report of two (2%) percent or more, Franchisee shall, in addition to repayment of monies owed with interest, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, but not limited to, travel, lodging, and wages expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

12. ADVERTISING AND PROMOTION

Recognizing the value of promotion, and the importance of the standardization of promotion programs to the furtherance of the goodwill and public image of the Pillar To Post® System, the parties agree as follows:

12.1 Franchisee shall pay to the Pillar To Post® promotion and advertising fund (the "Brand Fund") a continuing monthly Brand Fee equal to up to four percent (4%), or such lesser percentage as the Franchisor may from time to time implement, of the Gross Revenues of the Pillar To Post® home inspection franchise, or a minimum monthly Brand Fee of One Hundred Dollars (\$100.00) per month, whichever is greater, computed from the first (1st) day of the next month after the completion of Franchisor's mandatory Training Program, as more particularly described in Article 6 of this Agreement.

12.2 In the event the Pillar To Post® home inspection franchise fails to generate the minimum Gross Revenues required for any particular twelve (12) month period of operation as required by Section 4.3 of this Agreement, Franchisee shall pay to the Brand Fund a minimum yearly Brand Fee equal to up to four percent (4%), or such lesser percentage as the Franchisor may from time to time implement, of the minimum Gross Revenues required for that particular twelve (12) month period of operation less the total amount of monthly Brand Fees paid by Franchisee for that particular twelve (12) month period of operation. Sales volume requirements for renewal terms (or for Franchisees who acquired their Franchised Business through transfer from a Franchisee, rather than from the Franchisor) shall be established as set forth in Section 4.3 of this Agreement.

12.3 The Brand Fund shall be maintained and administered by Franchisor as follows:

12.3.1 Franchisor shall direct all advertising and promotional programs, with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Fund is intended to maximize general public recognition, acceptance, and use of the Pillar To Post® System; and that Franchisor is not obligated, in administering the Brand Fund, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Fund.

12.3.2 The Brand Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which Franchisor believes will enhance the image of the Pillar To Post® System, including, among other things, the costs of preparing and conducting media advertising campaigns; direct-mail advertising; marketing surveys; employing advertising and/or public relations agencies to assist therein; purchasing promotional items; and providing promotional and other marketing

materials and services to the businesses operating under the Pillar To Post[®] System.

12.3.3 Franchisee shall contribute to the Brand Fund by separate checks made payable to the Brand Fund. All sums paid by Franchisee to the Brand Fund shall be maintained in an account separate from the other monies of Franchisor and shall not be used to defray any of Franchisor's expenses, except for such reasonable costs and overhead, if any, as Franchisor may incur in activities reasonably related to the direction and implementation of the Brand Fund and advertising programs for franchisees and the Pillar To Post[®] System, including, among other things, costs of personnel for creating and implementing advertising, promotional, and marketing programs. The Brand Fund and any earnings thereon shall not otherwise inure to the benefit of Franchisor. Franchisor shall maintain separate bookkeeping accounts for the Brand Fund.

12.4 All advertising and promotion by Franchisee shall be in such media and of such type and format as Franchisor may approve, shall be conducted in a dignified manner, and shall conform to such standards and requirements as Franchisor may specify. Franchisee shall not use any advertising or promotional plans or materials unless and until Franchisee has received written approval from Franchisor, pursuant to the procedures and terms set forth in Section 12.6 of this Agreement.

12.5 Franchisor may, in its sole discretion, make available to Franchisee from time to time, advertising plans and promotional materials, including newspaper mats, coupons, merchandising materials, sales aids, point-of-purchase materials, special promotions, direct mail materials, and similar advertising and promotional materials.

12.6 Franchisee shall submit samples of all advertising and promotional plans and materials to Franchisor, for its approval at least thirty (30) days prior to its proposed use (except with respect to prices to be charged by Franchisee), if such plans and materials have not been prepared or previously approved by Franchisor. If written notice of disapproval is not received by Franchisee from Franchisor within thirty (30) days of the date of receipt by Franchisor of such samples or materials, Franchisor shall be deemed to have approved them.

12.7 Franchisee shall, at its expense, obtain listings in the white and yellow pages of local telephone directories. Franchisee shall comply with Franchisor's reasonable specifications concerning the form and size of such listings, and the number of directories in which such listings shall be placed.

12.8 Franchisee may not maintain a World Wide Web site or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with the franchised business without Franchisor's prior written approval, which Franchisor may withhold for any reason or no reason.

12.8.1 Franchisee agrees to submit to Franchisor for approval before use true and correct printouts of all Web site pages Franchisee proposes to use in its Web site in connection with the franchised business. Franchisee understands and agrees that the Franchisor's right of approval of all such Web materials is necessitated by the fact that

such Web materials will include and be inextricably linked with Franchisor's proprietary marks. Franchisee may only use material that Franchisor has approved.

12.8.2 Franchisee's Web site must conform to all of Franchisor's Web site requirements, whether set forth in its Manual or otherwise. Franchisee agrees to provide all hyperlinks or other links that Franchisor requires.

12.8.3 If Franchisor grants approval for a Web site, Franchisee may not use any of the proprietary marks at the site without Franchisor's prior written permission. Franchisee may not post any of Franchisor's proprietary, confidential or copyrighted material or information on its Web site without Franchisor's prior written permission. If Franchisee wishes to modify its approved site, all proposed modification must also receive Franchisor's prior written approval.

12.8.4 Franchisee explicitly understands that it may not post on its Web site any material which any third party has any direct or indirect ownership interest in (including, without limitation, video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image which any third party may claim intellectual property ownership interests in).

12.8.5 Franchisee agrees to list on its Web site any Web site maintained by Franchisor, and any other information Franchisor requires in the manner Franchisor dictates.

12.8.6 Franchisee agrees to obtain Franchisor's prior written approval for any Internet domain name and/or home page address.

12.8.7 The requirement for Franchisor's prior approval set forth in this Section 12.8 will apply to all activities on the Internet or other communications network to be conducted by Franchisee, except that Franchisee may maintain one or more e-mail addresses and may conduct individual e-mail communications without Franchisor's prior written approval. Franchisee agrees to obtain Franchisor's prior approval as provided above if it proposes to send advertising to multiple addresses via e-mail.

13. INSURANCE

13.1 Franchisee shall procure, prior to the commencement of any operations under this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee, Franchisor, and their respective officers, directors, partners, employees and independent contractors against any demand or claim with respect to personal injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the Pillar To Post® home inspection franchise, including, but not limited to, comprehensive general liability insurance, errors and omissions insurance, property and casualty insurance, statutory workers' compensation insurance, employer's liability insurance, and product liability insurance. Such policy or policies shall be written by a responsible carrier or carriers acceptable

to Franchisor, shall name Franchisor as an additional insured as specified by Franchisor, and shall provide at least the types and minimum amounts of coverage specified in this Section or in the Manual from time to time, and in any event with minimum limits of liability in respect to errors and omissions, and bodily injury or property damage of One Million Dollars (\$1,000,000.00) per occurrence.

13.2 Franchisee's obligation to obtain and maintain the policy or policies in the amounts specified in the Manual shall not be limited in any way by reason of any insurance that may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 20.3 of this Agreement.

13.3 All public liability and property damage policies shall contain a provision that Franchisor, although named as an insured, shall nevertheless be entitled to recover under such policies on any loss occasioned to Franchisor or its officers, directors, servants, agents, or employees by reason of the negligence or intentional act or omission of Franchisee or its officers, directors, servants, agents, or employees.

13.4 Prior to the commencement of any operations under this Agreement, and thereafter at least fifteen (15) days prior to the expiration of any policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing the proper types and minimum amounts of coverage. All Certificates shall expressly provide that no less than fifteen (15) days prior written notice shall be given Franchisor in the event of material alteration to or cancellation of the coverage evidenced by such Certificates.

14. TRANSFER OF INTEREST

14.1 This Agreement and all rights and duties hereunder may be freely assigned or transferred by Franchisor in its sole discretion to any person or legal entity which agrees to assume Franchisor's obligations hereunder, including a competitor of Franchisor, and shall be binding upon and inure to the benefit of Franchisor's successors and assigns including, but not limited to, any entity which acquires all or a portion of the capital stock of Franchisor or any entity resulting from or participating in a merger, consolidation or reorganization in which Franchisor is involved, and to which Franchisor's rights and duties hereunder are assigned or transferred.

14.2 Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this franchise in reliance on many factors, including, but not limited to, Franchisee's (or, if Franchisee is a corporation or partnership, its principal's or principals') business skill, financial capacity, and personal character. Accordingly, neither Franchisee nor any immediate or remote successor, heirs, executor, administrator, or assignee to any part of Franchisee's interest in this Agreement or the Pillar To Post® home inspection franchise, nor any individual, partnership, corporation, or other legal entity which directly or indirectly owns any direct or indirect interest in Franchisee or the Pillar To Post® home inspection franchise shall directly or indirectly sell, assign, transfer, convey, pledge, mortgage, give away, or otherwise encumber any direct or indirect interest in this Agreement or any portion thereof, in Franchisee, in the Pillar To Post® home inspection

franchise, in any equity or voting interest in the Franchisee, in all or substantially all of the assets of the Pillar To Post® home inspection franchise, nor permit the Pillar To Post® home inspection franchise to be operated, managed, directed or controlled, directly or indirectly, by any person other than the Franchisee (any such act or event is referred to as a "Transfer") without the prior written consent of Franchisor, such written consent shall not be unreasonably withheld. Any purported assignment or Transfer occurring by operation of law or otherwise, including any Transfer by a trustee in bankruptcy, not having the written consent of Franchisor required by this Section 14.2 shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may immediately terminate without opportunity to cure pursuant to Section 15.2.6 of this Agreement. In addition, in the event the Franchisee is a corporation, the stock of such corporation shall not be publicly sold or traded on any securities exchange or in the over-the-counter market without the express prior written consent of Franchisor.

14.3 Franchisee understands and acknowledges the vital importance of the performance of the Franchisee to the market position and overall image of Franchisor. Franchisee also recognizes that there are many subjective factors that comprise the process by which Franchisor selects a suitable franchise owner. Therefore, Franchisee shall notify Franchisor in writing of any proposed Transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Pillar To Post® home inspection franchise at least thirty (30) days before such Transfer is proposed to take place. Franchisor shall not unreasonably withhold its consent to any Transfer, but if a Transfer, alone or together with other previous, simultaneous, or proposed Transfers, would have the effect of changing control of Franchisee, this Agreement, or all or substantially all of the assets of the Pillar To Post® home inspection franchise, Franchisor may, in its sole subjective discretion, require any or all of the following as conditions of its approval:

14.3.1 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to operate the Pillar To Post® home inspection franchise (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital to operate the Pillar To Post® home inspection franchise;

14.3.2 That all of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor and its affiliates have been satisfied;

14.3.3 That Franchisee is not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates;

14.3.4 That Franchisee pay a transfer fee in an amount equal to four thousand dollars and no cents (\$4,000.00), plus any applicable taxes, to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the application to transfer, including, but not limited to, legal and accounting fees;

14.3.5 That the Franchisee shall have procured, at Franchisee's expense, an extended coverage insurance policy protecting Franchisee, Franchisor, and their respective officers, directors, partners, and employees against any demand or claim with respect to any loss or expense arising from operation of the Pillar To Post[®] home inspection franchise. Such policy shall be written by a responsible carrier acceptable to Franchisor, shall name Franchisor as additional insured, and shall provide at least the types and minimum amounts of coverage specified in this Section or in the Manual from time to time. The term of the extended coverage period shall not be less than one year;

14.3.6 That the transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and their officers, directors, shareholders, and employees;

14.3.7 That Franchisee remain liable for all of the obligations to Franchisor in connection with the Pillar To Post[®] home inspection franchise which arose prior to the effective date of the transfer and execute any and all instruments reasonably requested by Franchisor to evidence such liability;

14.3.8 That the transferee (or, if the transferee is a corporation or partnership, the manager designated by transferee acceptable to Franchisor, which manager must be a shareholder of a beneficial interest of fifty (50%) percent or more of the transferee) at the transferee's expense, take and complete, to Franchisor's sole subjective satisfaction, the Franchisor's Initial Training Program then in effect for franchisees and managers upon such terms and conditions as Franchisor may reasonably require;

14.3.9 That the transferee execute, for a term ending on the expiration date of this Agreement and with such renewal terms as may be provided by this Agreement, the then-current form of franchise agreement and other ancillary agreements as Franchisor may require for the Pillar To Post[®] home inspection franchise, which agreements shall supersede this Agreement in all respects, or upon the agreement of the parties a new then current form of Franchise Agreement and other ancillary agreements which may be for the full term of this agreement with the full terms of renewal as may be provided by this agreement;

14.3.10 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) enter into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; and, if the obligations of Franchisee were guaranteed by the transferor, that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

14.3.11 If the transferor executed a guarantee, indemnification, and acknowledgement of Franchisee's obligations under this Agreement, that the transferee execute a guarantee, indemnification, and acknowledgement of all such obligations; Franchisee acknowledges and agrees that each condition that must be met by the transferee is necessary to assure such transferee's full performance of the obligations

hereunder.

14.4 Franchisee shall not grant a security interest in the Franchise Agreement, the Pillar To Post® home inspection franchise or in any of the assets of the Pillar To Post® home inspection franchise unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee, and any acceleration of indebtedness due to Franchisee's default shall be void.

14.5 If any party holding any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Pillar To Post® home inspection franchise desires to accept any bona fide offer from a third party to purchase such interest, Franchisee shall notify Franchisor as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing on such purchase shall occur within sixty (60) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor elects not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 14.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 14, with respect to a proposed transfer. In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the cash consideration, an independent appraiser shall be designated by Franchisor at Franchisor's expense, and the appraiser's determination shall be binding.

14.6 In the event of the death or legal incapacity of Franchisee (or, if Franchisee is a corporation or partnership, any person with an interest in Franchisee or in all or substantially all of the assets of the Pillar To Post® home inspection franchise), the heirs, beneficiaries, devisees, executors, administrators or other legal representatives of Franchisee shall, within one hundred twenty (120) days of such event:

14.6.1 Apply to Franchisor for the right to continue to operate the Franchise for the duration of the term of this Agreement and any renewals hereof, which right shall be granted provided the surviving spouse, heirs or estate shall satisfy all of the then-current qualifications for a purchaser of a Franchise; or

14.6.2 Sell, assign, transfer, or convey Franchisee's interest in compliance with the provisions of Sections 14.3 and 14.5 of this Agreement; provided, however, in the event a proper and timely application for the right to continue to operate the Franchise has been made by the Franchisee and rejected by the Franchisor, the one hundred twenty (120) days to sell, assign, transfer, or convey the Franchise shall be computed from the date of said rejection.

14.7 If the provisions of Section 14.6 have not been fulfilled within the time provided, all rights granted to Franchisee under this Agreement shall, at the option of Franchisor, terminate immediately and automatically revert to Franchisor.

14.8 Notwithstanding the foregoing, it is understood that Franchisee (if an individual, natural person) may assign this Agreement, the Pillar To Post® home inspection franchise, and/or the Franchisee's rights and obligations hereunder on one occasion to a corporation organized by the Franchisee for that purpose only and at least a majority of all the issued and outstanding shares of voting stock and equity interest of which shall be owned and voted continuously by Franchisee, and further provided that Franchisor shall have approved in advance all other shareholders of such corporation holding equity or voting interests, which consent shall not be unreasonably withheld. Franchisor shall be given written notice of such assignments and delegation, and thereupon such corporation shall have all such rights and obligations, and the terms "Franchisee" and "Pillar To Post® home inspection franchise" as listed herein shall refer to such corporation; provided, however, that such assignment shall in no way affect the obligations hereunder of the individual above designated "Franchisee", who shall remain fully bound by and responsible for the performance of all such obligations, jointly and severally with such corporation. Such corporation shall at no time engage in any business or activities other than the exercise of the rights herein granted to the Franchisee and the performance of its obligations as Franchisee hereunder. Franchisee shall pay a fee of Five Hundred Dollars (\$500.00) to Franchisor to cover the reasonable costs and expenses associated with document preparation and review for such assignment.

14.9 Franchisor's consent to a Transfer of any interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Pillar To Post® home inspection franchise shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

15. DEFAULT AND TERMINATION

15.1 Franchisee shall be deemed to be in default under this Agreement, and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; if Franchisee is adjudicated a bankrupt or insolvent; if a receiver of Franchisee for Franchisee's business or assets is appointed; if a receiver of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if a final judgment remains unsatisfied or of record for thirty (30) days or longer; if Franchisee is dissolved; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against Franchisee and not dismissed within sixty (60) days; or if the real or personal property of the Pillar To Post® home inspection franchise shall be seized and sold.

15.2 Upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate all rights granted to Franchisee hereunder, without affording Franchisee any

opportunity to cure the default, effective immediately upon receipt of notice by Franchisee:

15.2.1 If Franchisee, in Franchisor's sole subjective discretion, fails to satisfactorily complete Franchisor's Initial Training Program;

15.2.2 If Franchisee fails to obtain an Approved Location for the Pillar To Post[®] home inspection franchise within the time limits provided in Section 1.3 of this Agreement, or if execution is levied against Franchisee's business or property;

15.2.3 If Franchisee fails to open the Pillar To Post[®] home inspection franchise within the time limits provided in Section 5.2 of this Agreement;

15.2.4 If Franchisee at any time ceases to operate or otherwise abandons the Pillar To Post[®] home inspection franchise, or loses the right to possession of the Premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Pillar To Post[®] home inspection franchise is located. However, if, through no fault of Franchisee, the Premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within ninety (90) days thereafter, then Franchisee shall have sixty (60) days after such event in which to apply for Franchisor's approval to relocate and/or reconstruct the Premises, which approval shall not be unreasonably withheld;

15.2.5 If Franchisee is convicted of a criminal offense that Franchisor believes is reasonably likely to have an adverse effect on the Pillar To Post[®] System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein;

15.2.6 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Pillar To Post[®] home inspection franchise;

15.2.7 If any purported assignment or transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Pillar To Post[®] home inspection franchise is made to any third party without Franchisor's prior written consent, contrary to the terms of Section 14 of this Agreement;

15.2.8 If Franchisee directly or indirectly, whether for remuneration or otherwise howsoever, recommends Franchisee, or another franchisee of Franchisor, or any other person, partnership, firm, association, or syndicate, to effect repairs or cure any defects which the inspection prepared by Franchisee may directly or indirectly disclose, without Franchisor's prior written approval;

15.2.9 If an approved transfer is not effected within the time provided following death or mental incapacity, as required by Section 14.6 of this Agreement;

15.2.10 If Franchisee fails to comply with the covenants in Section 17.2 of this Agreement or fails to obtain execution of the covenants required under Sections 10.2 or 17.7 of this Agreement;

15.2.11 If, contrary to the terms of Sections 9 or 10 of this Agreement, Franchisee discloses or divulges the contents of the Manual or other confidential information provided to Franchisee by Franchisor;

15.2.12 If Franchisee knowingly maintains false books or records, or submits any false reports to Franchisor;

15.2.13 If Franchisee misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the Pillar To Post® System, or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein;

15.2.14 If Franchisee refuses to permit Franchisor to inspect the Premises, or the books, records, or accounts of Franchisee upon demand;

15.2.15 If Franchisee fails to comply with the provisions of Section 13.1 of this Agreement with respect to maintaining insurance coverage for the franchise, and for the Franchisor. In the event that Franchisee fails to maintain the required insurance coverage by failing to remit a renewal premium on a timely basis, Franchisor shall have the option of paying the past due premium on Franchisee's behalf or of terminating the Franchise Agreement. If Franchisor elects to pay the premium on Franchisee's behalf, Franchisee shall be required to reimburse Franchisor for that amount, plus an additional Two Hundred Fifty Dollars (\$250.00) for a service fee. This payment shall be due on the 10th of the month following Franchisee's notice of Franchisor's payment of the premium;

15.2.16 If Franchisee, upon receiving a notice of default under Section 15.4 of this Agreement, fails to initiate immediately a remedy to cure such default;

15.2.17 If Franchisee receives from Franchisor three (3) or more notices to cure a default or violation of this Agreement during any twelve (12) month period, whether or not the default or violation is cured after notice;

15.2.18 If Franchisee fails to comply with the provisions of Section 9.4 or 9.5 of this Agreement with respect to implementing each new or changed Software requirement; or

15.2.19 If Franchisee fails to comply with the provisions of Section 6.2 of this Agreement regarding attendance at all required training courses, seminars, and programs, including required regional training programs and the biennial convention, unless excused in advance and in writing by Franchisor.

15.3 Upon the occurrence of the following event of default, Franchisor may, at its option, itself operate, or license other franchisees to operate a Pillar To Post® home inspection franchise inside of the Territory, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee:

15.3.1 If, in the initial term of the Franchise Agreement, the Pillar To Post® home inspection franchise fails to generate Gross Revenues of at least: (a) Thirty Thousand Dollars (\$30,000) in the first twelve (12) months after execution of this Agreement; Forty Thousand Dollars (\$40,000) in the second twelve (12) months after execution of this Agreement; (c) Fifty Thousand Dollars (\$50,000) in the third twelve (12) months after execution of this Agreement; (d) Sixty Thousand Dollars (\$60,000) in the fourth twelve (12) months after execution of this Agreement; and, (e) Eighty Thousand Dollars (\$80,000) in the fifth twelve (12) months after execution of this Agreement. Sales volume requirements for renewal terms (or for Franchisees who acquired their Franchised Business through transfer from a Franchisee, rather than from the Franchisor) shall be modified to reflect the potential of an established market place. Such requirements shall be set forth in an Addendum to the renewal Franchise Agreement and failure to meet such requirements shall provide a basis for Franchisor's action pursuant to the provisions of this paragraph.

15.4 Except as otherwise provided in Sections 15.1, 15.2, and 15.3 of this Agreement, Franchisee shall have thirty (30) days after its receipt from Franchisor of a written notice of default within which to remedy any other default under this Agreement and to provide evidence thereof to Franchisor. Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within the thirty (30) day period (or within such longer time period as Franchisor may reasonably specify), and by promptly providing proof thereof to Franchisor. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the period. Franchisee shall be in default pursuant to this Section 15.4 for failure substantially to comply with any of the requirements imposed by this Agreement, as it may from time to time be reasonably supplemented by the Manual, or failure to carry out the terms of this Agreement in good faith. Such defaults include, but are not limited to, the following illustrative events:

15.4.1 If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its affiliates when due, or to submit the financial or other information required by Franchisor under this Agreement;

15.4.2 If Franchisee fails to operate the Pillar To Post® home inspection franchise in strict compliance with all of the standards or procedures prescribed by Franchisor in this Agreement, the Manual, or otherwise in writing, and without restricting the generality of the foregoing, if Franchisee fails to promptly pay all Franchisee's expenses incurred in the operation of the Pillar To Post® home inspection franchise;

15.4.3 Except as provided in Section 15.2.6 hereof, if Franchisee fails, refuses, or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

15.4.4 If Franchisee acts, or fails to act, in any manner which is inconsistent with or contrary to its lease or sublease for the Premises, or in any way jeopardizes its right to renewal of such lease or sublease; or

15.4.5 If Franchisee engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Proprietary Marks.

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall forthwith terminate, and:

16.1 Franchisee shall immediately cease to operate the Pillar To Post® home inspection franchise, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

16.2 Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the Pillar To Post® System; the Proprietary Mark "Pillar To Post®" and all other Proprietary Marks and distinctive forms, slogans, domain names, signs, symbols, and devices associated with the Pillar To Post® System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, products, domain names and any other articles that display the Proprietary Marks.

16.3 Franchisee shall take such action as may be necessary to cancel any trade or fictitious name registration or equivalent registration obtained by Franchisee which contains the mark "Pillar To Post®" or any other Proprietary Marks including the domain names and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within ten (10) days after termination or expiration of this Agreement.

16.4 Franchisee appoints Franchisor its true and lawful agent to take such action, and to execute all such documents in its name and on its behalf as may be necessary, pursuant to this subsection to carry out any acts on behalf of the Franchisee. Franchisee shall transfer or assign to Franchisor or to its designee all telephone numbers, white and yellow page telephone references and advertisements, and shall cancel any interest which Franchisee may have had in the same. Franchisee shall transfer or assign to Franchisor any Web site, domain name or other Internet usage and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority for the sole purpose of taking such action as is necessary to complete this assignment. The obligations of this Section and this power of attorney shall survive the termination of this Agreement. Franchisee shall not thereafter use the listings identified in this subsection in connection with any subsequent business owned or operated by Franchisee, or for any other purpose whatsoever.

16.5 Franchisee shall, at Franchisor's option, assign to Franchisor any interest that Franchisee has in any lease or sublease for the Premises. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Premises, Franchisee shall make such modifications or alterations to the Premises (including, but not limited to, the changing of, and the assigning to Franchisor of, the telephone number) immediately upon termination or

expiration of this Agreement as may be necessary to distinguish the appearance of the Premises from that of Pillar To Post® under the Pillar To Post® System, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this Section 16.5, Franchisor shall have the right to enter upon the Premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

16.6 Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in Franchisor's opinion, is likely to cause confusion, mistake, or deception, or which, in Franchisor's opinion, is likely to dilute Franchisor's rights in and to the Proprietary Marks. Franchisee further agrees not to utilize any designation of origin or description or representation, which, in Franchisor's opinion, falsely suggests or represents an association or connection with Franchisor.

16.7 Franchisee shall promptly pay all sums owing to Franchisor and its affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including attorneys' fees and disbursements, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid-in-full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the Premises at the time of default.

16.8 Franchisee shall pay to Franchisor all damages, costs, and expenses, including attorneys' fees and disbursements, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 16.

16.9 Franchisee shall immediately deliver to Franchisor the Manual and all other records, correspondence, and instructions containing confidential information relating to the operation of the Pillar To Post® home inspection franchise, all of which are acknowledged to be the property of Franchisor, and shall retain no copy or record of any of the foregoing. Upon receipt of the Manual and other proprietary and confidential information, Franchisor shall refund the \$250 security deposit described previously in this document.

16.10 Franchisor shall have the option, to be exercised within thirty (30) days after termination, to purchase from Franchisee any or all of the furnishings, equipment, signs, and fixtures related to the operation of the Pillar To Post® home inspection franchise at Franchisee's depreciated book value, to purchase any or all supplies and inventory of the Pillar To Post® home inspection franchise at Franchisee's cost or depreciated book value, whichever is less, and to purchase any and all merchantable inventory of the Pillar To Post® home inspection franchise bearing the Proprietary Marks at Franchisee's cost minus twenty (20%) percent. If the parties cannot agree on the price of any such items within a reasonable time, an independent appraisal shall be conducted and the appraiser's determination shall be binding. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due

from Franchisee, and the cost of the appraisal, if any, against any payment therefore.

16.11 Franchisee shall comply with the covenants contained in Section 17.3 of this Agreement.

16.12 The provisions of Sections 10.1, 10.2, 16.1 to 16.12 inclusive, 17.1 to 17.7 inclusive, and Sections 24 and 25 of this Agreement shall survive the termination or expiration of this Agreement.

17. ADDITIONAL COVENANTS

17.1 Franchisee covenants that during the term of this Agreement or any renewals thereof, except as otherwise approved in writing by Franchisor, Franchisee shall devote its full time and best efforts to the management and operation of the Pillar To Post® home inspection franchise, and in recommending, promoting and encouraging patronage of all Pillar To Post® home inspection franchise units. If Franchisee is a corporation or partnership, such Franchisee must select a shareholder with a beneficial interest of at least fifty (50%) percent of the voting securities of Franchisee or a general partner of Franchisee, acceptable to Franchisor in Franchisor's sole discretion, to devote his or her full time and best efforts to the Pillar To Post® home inspection franchise. Such selection shall not be changed by Franchisee without the written consent of the Franchisor.

17.2 Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable, specialized training and confidential information, including, but not limited to, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Pillar To Post® System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee, or if the Franchisee is a corporation, then its officers, directors, and shareholders, shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

17.2.1 Divert or attempt to divert any present or prospective business or customer of any Pillar To Post® home inspection franchise to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the Pillar To Post® System;

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

17.2.3 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any interest in (as owner or otherwise) any business that offers products or services which are the same as or similar to the products and services being offered by the Pillar To Post® home inspection franchise under the Pillar To Post® System.