TABLE OF CONTENTS

ARTICLE & SECTION PAGE

EXHIBITS:

TWO MEN AND A TRUCK®/INTERNATIONAL, Inc.
FRANCHISE AGREEMENT

THIS AGREEMENT, hereinafter referred to as the "Agreement" is entered into between **TWO MEN AND A TRUCK®/INTERNATIONAL, Inc.**, located at 3400 Belle Chase Way, Lansing, Michigan 48911-4251, hereinafter referred to as "Home Office," and the person signing this Agreement as Franchisee, who is hereinafter referred to as "Franchisee".

Home Office has developed a system for the establishment and operation of a business offering to the public moving services and related services (the "System"); and

Franchisee desires to enter into an agreement with Home Office to enable Franchisee to obtain the rights to operate a business using the System. The business location will hereinafter sometimes be referred to as the "Unit" or "Franchise Unit".

Based upon their mutual promises and adequate consideration as acknowledged by each of them, the parties hereto agree as follows:

ARTICLE I
BENEFITS FRANCHISEE ACQUIRES

1. **Marketing Area.**

(a) Right to Operate One Unit Within Marketing Area. Home Office grants to Franchisee the right to establish and operate one Franchise Unit at a single location within the Marketing Area specifically described in Section A of Exhibit 1. Home Office will not locate its own units, or grant to any other person or entity the right to locate any franchise unit, within Franchisee's Marketing Area using the same or a similar system as that licensed by this Agreement. Nothing in this Agreement will prevent Home Office from granting the right to establish or operate, or itself establishing or operating, businesses using the same or a similar system anywhere outside of Franchisee's Marketing Area, or marketing services or products that are not a part of the franchise offered by this Agreement under the Home Office's name and marks within a Marketing Area. In addition, nothing in this Agreement will prevent the Home Office or another **TWO MEN AND A TRUCK®** franchisee [except franchisees having licensed protected territories (see Article I, Section 4(c), below)], or another person from originating moves within Franchisee's Marketing Area or from moving Customers located outside Franchisee's Marketing Area into the Marketing Area.

(b) Selection of Site for Franchise Unit. Franchisee must conduct its business from a location within the Marketing Area that Home Office approves, which Marketing Area is described in Section A of Exhibit 1. If Home Office has not disapproved of the site within fifteen (15) days of receiving written notice of it, then Home Office will be deemed to have approved it. Among the factors Home Office considers before approving franchise sites are population density, general location within the Marketing Area, neighborhood, traffic patterns, parking, size, physical characteristics of the building and lease terms, zoning restrictions, the ARCGIS, ARCMAP Version 9.1 software for population data for Franchisee's Marketing Area (or use of another credible and recognized source for ascertaining populations), and the location of other franchisees' units in Marketing Areas adjacent to Franchisee. The essence of Home Office's core values, care and integrity, requires that each franchisee in the System respect all other franchisees. When Franchisee selects a site location for its franchise unit, Franchisee must consider each of the factors described in this paragraph, while honoring Home Office's core values.

(c) Adding Franchise Unit(s). If Home Office determines, in its sole discretion, that sound business reasons exist to approve Franchisee to operate an additional location(s) within Franchisee's Marketing Area, Home Office may approve an additional location(s).

(d) Performance Requirements Necessary to Maintain Marketing Area. If Franchisee fails to obtain and maintain, year to year, the minimum amount of business described in Section 19 of Article II, Home Office can, unless the parties otherwise agree in writing, upon sixty (60) days written notice, reduce the Marketing Area to an area encompassing a population equal to 50,000 for each 100 hours of moves averaged by Franchisee each month during the prior twelve (12) months or refuse to renew the Franchise Agreement at the end of its term per Section 19 of Article II. The reduced Marketing Area will include Franchisee's approved location but will otherwise be determined by Home Office in its sole discretion.

(e) Right to Divide Marketing Area Upon Termination, Expiration or Renewal of Agreement. If Franchisee's Marketing Area is or attains a population of Eight Hundred Thousand (800,000) residents, or more (as measured by ARCGIS, ARCMAP Version 9.1 software or another credible and recognized source for ascertaining populations), Home Office reserves the right at the time of termination, expiration or renewal to divide the Marketing Area into two marketing areas equal to approximately four hundred thousand (400,000) residents, or more, and in a manner Home Office determines is reasonable in its sole discretion. Provided Franchisee is in compliance with this Agreement, Franchisee may: (i) without payment of any additional initial franchise fee, operate both of the newly created marketing areas under separate franchise agreements, or (ii) transfer one or both of the newly created marketing areas in accordance with Section 2 of Article VII of this Agreement, including but not limited to the obligation to pay Home Office a transfer fee(s).

2. **License to Use System.** Home Office grants to Franchisee a license to use the System for establishing and operating a moving, and related services, business. The System includes specific operational methods, techniques, procedures, formats and forms for establishing and operating such a business, which constitute confidential and proprietary information owned by Home Office. This license is only for Franchisee's use of the System. Except as this Agreement allows, Franchisee has no authority to license, train, or otherwise assist or authorize others to use the System in any way.

3. **License to Use Service Marks.** Home Office grants to Franchisee a license to use the service mark **TWO MEN AND A TRUCK**®, and all other service marks Home Office adopts for use in conjunction with the business operated pursuant to the System. Home Office expressly licenses Franchisee to use the following federally registered service marks only in conjunction with and in accordance with the System, and this license exists only for the duration of this Agreement:

Service Mark	Federal Registration Number
TWO MEN AND A TRUCK®	3,006,814
TWO MEN AND A TRUCK® and design	3,006,815
TWO MEN AND A TRUCK®	2,020,083
TWO MEN AND A TRUCK® and design	1,953,964
The Company that's on the Move®	1,953,011
Movers Who Care®	1,915,497
STICK MEN UNIVERSITY®	2,323,802
THE GRANDMA RULE®	2,946,487

These service marks and logos are hereafter sometimes referred to as the "Marks". The Marks are further defined in Section 1 of Article III. Franchisee's licensee rights to use the Marks are defined by and limited to the terms of this Agreement.

4. **Limits on License.**

(a) Limits on Use of Service Marks and Logos. Franchisee agrees to use the Marks as its sole identification for its moving and related services business, except that Franchisee agrees to identify itself as an independent owner in the manner Home Office approves. Except as otherwise explicitly authorized by this license or as Home Office's President or Chief Executive Officer may otherwise authorize in writing, Franchisee may not use any Mark: (i) as part of any corporate or legal business name, (ii) with any prefix, suffix, or other modifying words, terms, designs or symbols, (iii) in selling any unauthorized services or products, (iv) as a part of any domain name, homepage, electronic address, or otherwise in connection with a Website, or (e) in any other manner that Home Office has not expressly authorized in writing. Franchisee may not use any Mark in advertising the transfer, sale, or other disposition of the **TWO MEN AND A TRUCK®** moving business or an ownership interest in the Franchisee without Home Office's prior written consent, which Home Office will not unreasonably withhold. Franchisee agrees to display the Marks prominently as Home Office prescribes at its **TWO MEN AND A TRUCK®** moving business and on trucks, vans, forms, advertising, supplies, and other materials Home Office designates. Franchisee agrees to give the notices of trade and service mark registrations that Home Office specifies and to obtain any fictitious or assumed name registrations required under applicable law.

(b) Services Offered Must Comply With Law and Agreement. Franchisee will offer moving and related services only as permitted by applicable law and only as authorized by this Agreement. Franchisee must market its business within Franchisee's Marketing Area and at all times in accordance with the requirements of Section 10 of Article II and in line with policies established by Home Office.

(c) Services in "Protected Territories". Franchisee may not originate moves from "protected territories" licensed to other **TWO MEN AND A TRUCK®** franchisees. A "protected territory" is defined in other franchisee's franchise agreements having protected territories, but generally has the attributes of a Marketing Area, with the added provision of granting the franchisee the exclusive right to originate moves within the "protected territory". Franchisees having licensed "protected territories" may not originate moves from other franchisees' Marketing Areas or other franchisees' "protected territories". Home Office reserves the right to specify or change procedures that affect one or more Marketing Area(s) and/or protected territory(ies), and Franchisee must follow these procedures.

(d) Limitations Within Certain Geographical Areas of the United States. With respect to certain locations in the United States, there are restrictions and/or conditions that may affect Franchisee's right to operate or provide services in its **TWO MEN AND A TRUCK®** business:

(i) As the result of an agreement dated December 20, 2000 between Home Office and CSM, Inc., a Virginia corporation, Joleen M. Michalowicz and David S. Underwood, Franchisee may originate and/or end moves in Maryland, Virginia and Washington D.C., so long as: (i) neither Franchisee, nor any agent, affiliate or assign of Franchisee establishes any Business Location using the **TWO MEN AND A TRUCK®** service marks or confusingly similar service marks in Maryland, Virginia or Washington D.C., (ii) at least eighty percent (80%) of the subscribers to any media in which Franchisee, its agents, affiliates and assigns advertise their business(es), are not residents of Maryland, Virginia and Washington D.C, and (iii) Franchisee, its agents, affiliates and assigns have otherwise satisfied all federal, state and local laws relating to their business(es). "Business Location" means any place where Franchisee or its agents, affiliates or assigns have an office or other facility located to support a moving van or related business, including but not limited to parking areas and/or structures where trucks are, in the ordinary course of the business, parked, maintained or otherwise serviced or stored.

(ii) Under an agreement dated August 18, 2000 between Home Office and Richard McBee, Home Office acquired the right to the names and service marks TWO MEN AND A TRUCK, TWO MEN AND A TRUCK, INC. and the corporate name Two Men and a Truck, Inc. for the State of Georgia, together with the goodwill of the business symbolized by such names and marks. Among other things, the agreement with Richard McBee provides him or his assigns certain reversionary rights in the names and service marks: TWO MEN AND A TRUCK, TWO MEN AND A TRUCK, INC. and the corporate name Two Men and a Truck, Inc. for the State of Georgia under certain circumstances. With respect to these reversionary rights, the agreement states:

Reversion of Rights. If Home Office or our assign file or are involuntarily and properly placed in liquidation bankruptcy, or cease licensing the operation of, or operating a **TWO MEN AND A TRUCK®** franchise(s) or company-owned business(es) within the State of Georgia for a period of one year or more, then the rights assigned to Home Office under the agreement with Richard McBee shall revert to him or his heirs, executors, administrators, successors or assigns upon thirty (30) days written notice from Richard McBee or his heirs, executors, administrators, successors or assigns of the intent to enforce the reversion right. This reversion, if enforced, would have the effect of assigning, conveying, and transferring to Richard McBee all of Home Office's right, title, and interest in the State of Georgia to the names and service marks, together with the goodwill of the business symbolized by the names and service marks.

(iii) Under an Agreement of Understanding dated January 18, 2006 between Home Office, and John Mitchell and John Mitchell Moving – Two Guys and a Truck Incorporated, an Indiana corporation, it was agreed that John Mitchell and John Mitchell Moving – Two Guys and a Truck Incorporated, and their agents, employees, representatives, officers, directors, successors, assigns, licensees and heirs could no longer operate any moving and/or related services business identified, advertised or promoted as "Two Guys and a Truck," or any substantially similar words unless they included the words "John Mitchell Moving" immediately preceding the words "Two Guys and a Truck," and in any event, it was agreed that they cannot locate any moving and/or related services business outside the state of Indiana that use the words "Two Guys and a Truck" or any confusingly similar words. It was also agreed that Home Office and its agents, employees, representatives, officers, directors, successors, assigns and licensees, will not identify, advertise, promote and/or operate a moving or related services business using the words "John Mitchell", "John Mitchell Moving" or "Two Guys and a Truck," or any substantially similar words anywhere. The parties specifically agreed that the words "Two Men and a Truck" are not substantially similar words to "Two Guys and a Truck" for purposes of the agreement.

(e) Parking **TWO MEN AND A TRUCK®** Trucks in Franchisee's Marketing Area. Home Office reserves the right to permit another **TWO MEN AND A TRUCK®** franchisee to park its trucks on a regular basis in Franchisee's Marketing Area if an appropriate location for parking trucks within the other franchisee's marketing area cannot reasonably, in Home Office's sole discretion, be obtained. If Home Office permits another franchisee to park its trucks in Franchisee's Marketing Area, Home Office will not permit the other franchisee to advertise on its trucks any telephone number (other than an "800" telephone number common to each of the franchisees), business location(s), or other information that would distinguish its franchise from Franchisee's, unless otherwise required by law.

5. **Initial Training.** Home Office will provide a minimum of fifteen (15) days of training for Franchisee. Franchisee is required to attend and successfully complete the initial training program. Franchisee must also attend any additional training, sales programs or meetings at such location and at such times as Home Office may reasonably require. Franchisee is responsible for all expenses incident to attending the initial training program or

any additional training programs. Subject to Home Office's express approval, Franchisee may be permitted to bring additional attendees to training at Franchisee's expense.

6. **Enrichment Training and Performance Improvement Requirements.** If Franchisee's business is performing unsatisfactorily (as determined by Home Office) in any of the areas listed below, or in another area that Home Office determines to be material, Home Office can require Franchisee, at Franchisee's expense, to: a) attend Home Office's Enrichment Training program; b) visit another franchise location for a Performance Improvement Visit; c) make a Performance Improvement Visit to Home Office; or d) receive a Performance Improvement Visit from a Home Office staff member. The following are examples of matters that are of material concern to Home Office:

- Failing to meet the minimum performance requirements as described in this Agreement;
- Suffering a negative growth rate for six or more consecutive months ("negative growth rate" means a decrease in the total gross revenue subject to royalties as compared to the same month of the prior year);
- Excessive paperwork problems (i.e. failure to comply with paperwork procedures and/or due dates for two or more consecutive months);
- Excessive damages/Customer complaints.

If Home Office requires Franchisee to attend the Enrichment Training, Franchisee must pay all travel and living expenses, as well as a fee to cover the cost of the Enrichment Training program. Franchisee must perform the Enrichment Training program within three months of receiving notice that Home Office requires Franchisee to take it. If Home Office requires Franchisee to undertake one of the Performance Improvement Visit options, Franchisee will be responsible for all costs and expenses associated with the visit. Franchisee must complete the Performance Improvement Visit requirement within three months of receiving the notice.

7. **On-Going Training.** At Franchisee's request, Home Office will provide the services of appropriate Home Office staff to assist and counsel Franchisee during the operation of Franchisee's Unit. Franchisee must attend at least one Approved Training Session (participation in the Fiscal Fitness Program is defined as an Approved Training Session) every two years. Franchisee must attend an Approved Training Session within 12 months of receiving notice of it. Franchisee must also attend the Annual Meeting at least once every three years. Franchisee is responsible for all travel and living expenses incurred during training and all expenses, including registration fees, incurred during all other approved meetings, when applicable.

8. **Start Up Materials.** Within a reasonable time after signing this Agreement, Home Office will provide Franchisee a start–up materials package for no additional charge.

9. **Assistance**. Home Office will give reasonable assistance and advice to Franchisee as Home Office determines in its sole judgment, for the commencement and operation of the Franchise Unit. Home Office can charge Franchisee a reasonable per diem fee for the services of staff member(s) rendered in connection with this assistance.

ARTICLE II
FRANCHISEE'S AGREEMENTS

1. **Compliance with Applicable Law.** Franchisee agrees to comply with all federal, state or local governmental laws, ordinances and regulations which may in any way regulate or affect the operation of the Franchise Unit, including obtaining all required permits, certificates and licenses. Franchisee will promptly pay all payroll and business taxes, fees and expenses and any and all other amounts required by law.

2. **Performing Audits, Other Inspections and Obtaining Credit Reports.**

(a) Obligation to Keep Complete and Accurate Records; Performance of Audits and Inspections. Franchisee agrees to keep complete and accurate books and records of its operations and business. Franchisee agrees that Home Office's representative can perform audits and other inspections of all of Franchisee's business locations and vehicles from time to time during normal business hours. Home Office, its certified public accountants and/or other duly authorized agent, has the right during normal business hours to examine and make copies of Franchisee's books, records, tax returns, DOT driver log records and any other records. If Franchisee has more than one Marketing Area, Home Office may audit Franchisee's business records for any of Franchisee's Marketing Areas to determine if moves have been shifted from one franchise to another to meet performance requirements, win awards or to otherwise gain improper advantage, and for any other business reason that Home Office deems appropriate.

(b) Audit or Inspection Deficiencies; Obligation to Pay for Expenses. If any audit or investigation discloses a deficiency in the Gross Receipts (as defined in Article IV, Section 2) reported to Home Office, and the deficiency is in excess of two percent (2%) of reported Gross Receipts for any reporting period, Franchisee will bear the reasonable expenses of the audit and investigation. Franchisee's obligation to pay the expenses will not affect any other right Home Office has arising out of such under reporting, or other violations of the terms of this Agreement.

(c) Right to Obtain Franchisee's Credit Report from Time to Time. Franchisee consents to permitting Home Office to obtain Franchisee's credit report from time to time to confirm that Franchisee is paying third-party creditors, and Franchisee agrees to cooperate to enable Home Office to acquire Franchisee's credit report.

3. **Opening and Operation of the Franchise Unit; "Operations Manual" Defined.** Franchisee must purchase or lease, prior to opening the Franchise Unit, and maintain at all times thereafter, all equipment, fixtures, signs, inventory and supplies Home Office specifies, including at least two (2) moving trucks that display Home Office's **TWO MEN AND A TRUCK®** and other services marks. Franchisee must also perform the other pre–opening obligations specified in the Operations Manual. The "Operations Manual" includes, but is not limited to, the manuals entitled Pre-Opening Manual, Franchise Operations Marketing Manual, All About Trucks And Equipment Manual and Managing Personnel Manual, and all written, electronic, video and audio recorded policies, procedures, techniques, forms and guidelines used within the System to assist Franchisee in the operation of its **TWO**

MEN AND A TRUCK® moving business. Franchisee must commence operation of the Franchise Unit no later than four months from the date of this Agreement. After opening, Franchisee must continually operate the Franchise Unit and must use its best efforts to market the business, expand the Customer base and income of the franchise and maximize Customer satisfaction.

4. **Approved Products and Services; Maintenance.**

(a) Approved Services and Products. Franchisee can only offer local moving services, long distance moving services and other such products and services as Home Office previously approves in writing. Home Office may add approved products and/or services to the System from time to time. Franchisee must add products and/or services that Home Office requires to be added. This may include participation in any referral program or program offering loading and unloading services. Additional products and services Home Office approves will be subject to the royalty and advertising fees specified in Article IV of this Agreement.

(b) Purchase of Equipment, Inventory and Supplies, Maintenance of Same. Franchisee must purchase all equipment, inventory and supplies for the Franchise Unit in accordance with Home Office's specifications and only from suppliers Home Office approves. Franchisee must always maintain sufficient inventory, equipment and supplies to operate the Franchise Unit at optimal capacity and efficiency. Franchisee must maintain its vehicles and other equipment as specified in the Operations Manual. All truck lettering must be acquired from or through Home Office.

5. **Insurance; Obligation to Maintain Minimum Amounts and Coverage.**

(a) Insurance Coverages. Franchisee must at all times during the entire term of this Agreement and at its own expense keep in force, by advance payment or payments, policies of insurance in the amounts and with the coverage (at a minimum), as specified by Home Office. Home Office will determine the minimum amounts of insurance and coverage required based on reasonable business judgment.

At a minimum, such policies must include the following:

(i) Commercial general liability insurance coverage in the amount of $1,000,000, per person/per occurrence for bodily injury and property damage combined with a general aggregate of $2,000,000; this insurance must also have products/completed operations coverage with an aggregate limit of $1,000,000, personal and advertising insurance with a limit of $1,000,000, fire damage coverage with a limit for any one fire of $50,000, medical expense coverage with a limit for any one person of $5,000;Employment practices insurance (including sexual harassment, wrongful termination and discrimination coverage) in the amount of at least $500,000 for each incident and a general aggregate of $1,000,000;

(ii) Motor vehicle liability coverage must include bodily injury, property damage, on all leased, owned, rented or borrowed motor vehicles having a combined single limit of at least $1,000,000 resulting from each occurrence;

(iii) Cargo insurance coverage - in addition to insurance coverage for damage or loss to the cargo while it is being moved, there must be coverage while items are being loaded and unloaded or otherwise in the possession of your franchise. The minimum cargo insurance coverage must be $50,000 per truck, regardless of the size of the truck;

(iv) Umbrella policy (covering general liability, auto, and employer's liability) with a limit of $2,000,000;

(v) Business personal property insurance in the amount of at least $10,000 per location;

(vi) Employee dishonesty insurance in the amount of at least $10,000, and third-party dishonesty bond insurance of $10,000;

(vii) Worker's Compensation coverage in an amount required by law;

(viii) All other insurance coverage required by the law where Franchisee is located or that Home Office otherwise requires.

Home Office may adjust the amounts of coverage required under such policies at any time and require different or additional kinds of insurance based upon its business judgment.

(b) Parties Required to Be Covered, Mainetenance of Coverage and Notice of Cancellation to Home Office. Each insurance policy must name Franchisee and Home Office, as an additional insured, and Home Office must be provided with at least a twenty (20) day advance written notice of cancellation in connection with every policy. Original or duplicated copies of all insurance policies, certificates of insurance or other proof of insurance Home Office accepts must be promptly furnished to Home Office together with proof of premium payments. If Franchisee fails to obtain or maintain any of the required insurances, Home Office may obtain such insurance and keep the same in full force and effect and Franchisee must pay Home Office upon demand the premium cost thereof. Franchisee's failure to obtain or maintain such insurance is a material breach of this Agreement entitling Home Office to terminate this Agreement.

(c) Home Office's Right to Reports of Losses. Home Office may require Franchisee to provide, or require Franchisee to authorize the Franchisee's insurance carrier(s) to provide to Home Office monthly, quarterly and/or annual reports of losses paid by the Franchisee's insurance carrier(s) on behalf of the Franchisee for losses suffered under the Franchisee insured's insurance policies. These policies may include, among others, Worker's Compensation, Cargo, Automobile Liability, General Liability and Excess Liability policies. Franchisee hereby grants Home Office Franchisee's power-of attorney, authorizing Home Office to obtain whatever loss reports Home Office determines, in its sole discretion, are necessary to protect the integrity of its trademarks, service marks and/or franchise business system or for any other reasonable business purpose. Franchisee agrees to cooperate with Home Office and Franchisee's insurance carrier(s) to enable Home Office to obtain the Insurance Loss Reports as promptly and efficiently as possible, which cooperation may include providing written authorization to permit Home Office to obtain the report(s), in addition to the power of attorney granted in this paragraph,.

6. **Operating Standards/Operations Manual.**

(a) Obligation to be Governed by Highest Ethical Standards and to Comply with All Laws and Regulations. Franchisee acknowledges that every component of the System is important to Home Office and to the operation of the Franchise Unit. Franchisee must at all times operate the Unit in a competent manner and in full compliance with all aspects of the System specified by Home Office. In all business dealings with the public, Franchisee will be governed by the highest standards of honesty, integrity, fair dealing and ethical conduct and act at all times to support and grow Home Office's System. Franchisee must not engage in any activity or practice that results in or may reasonably be anticipated to result in damage to Home Office's business reputation, or result in or reasonably be anticipated to result in any public criticism of the Home Office's System or Marks. Franchisee will not use or engage any federal, state or local law, regulation, court or tribunal to retard or prevent another franchisee or prospective franchisee of the System from obtaining a license or authority to operate as a household goods mover or in any other capacity authorized by this Agreement. Franchisee acknowledges that such violation(s) will be good cause for immediate termination of this Agreement.

(b) Obligation to Comply with All Company Policies and Procedures; Confidentiality of Operations Manual Containing Company Policies. To preserve and enhance the reputation and the goodwill associated with the Home Office's System and Marks and to maintain uniform standards of operations throughout the entire System, Franchisee must comply with all lawful policies and procedures Home Office specifies from time to time in connection with the operation of the Franchise Unit, even if Franchisee believes the policies and/or procedures as originally issued or subsequently modified, are not in the best interests of the System. These policies and procedures are contained in the Operations Manual, including written policies, memos, bulletins, newsletters or other written or electronic materials prepared by Home Office. Franchisee will be issued a copy of the currently existing Operations Manual subsequent to its execution of this Agreement via Home Office's intranet and/or in hard copy. Franchisee will be issued applicable modifications or additions to the Operations Manual as they become available via intranet and/or in hard copy. The Operations Manual remains Home Office's confidential property, will not be duplicated by Franchisee, and will be returned to Home Office upon termination or expiration of this Agreement, or the transfer of Franchisee's Unit. Franchisee will at all times ensure that its copy of the Operations Manual is kept current and up–to–date. If any dispute arises as to the contents of the Operations Manual, the contents of the master copy of Home Office's Operations Manual will control.

(c) Policies Intended to Financially Benefit Franchise System, But No Assurances. Due to the nature of operation of the Unit and the fact that the standards of operation must and do change, Home Office reserves the right to change the System from time to time, and to change the terms of the Operations Manual from time to time to reflect those changes. These changes, when they occur, will occur with the intent of improving the System. Home Office will use its reasonable business judgment when making changes. Franchisee understands and acknowledges that although such changes, when they do occur, are intended to financially benefit the System, there are no assurances that a change(s) will financially benefit the System. The terms of the Operations Manual cannot change the terms of the Franchise Agreement, but will be an addition to it, and will have the same effect as if set forth in this Agreement. Where the Operations Manual is inconsistent with the Franchise Agreement, the Franchise Agreement will control.

7. **Personal Supervision and Management of Unit Within Marketing Area.**

(a) Obligation to Personally Supervise and Manage Day-to-Day Operations. Franchisee, or if Franchisee is a corporation, limited liability company or other legal entity, a representative approved in writing by Home Office, must personally supervise the day–to–day operation of the Franchise Unit at all times and personally exercise his or her best efforts to market the products and services of the franchise. The Franchisee or designated operator may not delegate any substantial portion of its responsibility under this Section to a manager, unless Home Office approves the manager. Franchisee must have a full-time presence at his/her Unit, and must book all services from the Unit. The Unit must be staffed for at least nine consecutive hours per day and must be staffed with sufficient personnel to provide optimum services. If Franchisee is a multi-unit franchise owner, Franchisee may not use a centralized booking system for moves or other services to operate the Unit.

(b) Franchisee, Only, Has the Right to Control Employees. Home Office does not control, and does not have the right to control, Franchisee's decisions regarding hiring, disciplining or terminating Franchisee's employees or agents. Nor does Home Office control or have the right to control Franchisees other day-to-day business activities. Even so, Home Office may take any legal action necessary to enforce its rights under this Agreement and to protect and preserve its System's policies and procedures.

(c) Obligation of Franchisee to Provide Business Plan for Other Businesses Franchisee Desires to Establish. If Franchisee, its principal(s) and/or its affiliate(s) wish to commence the operation of any additional business other than the business operated under the terms of this Agreement, Franchisee must provide Home Office with a business plan that describes in substantial detail how Franchisee, its principal(s) and/or its affiliate(s) will maintain the operation of the business authorized hereunder in accordance with its terms, while simultaneously operating the additional business. Before commencing the operation of the additional business, Franchisee must obtain Home Office's approval of the business plan, which approval will not be unreasonably withheld. Even if Home Office approves the business plan, however, Home Office may review the business plan at any time after approval to determine if Franchisee, its principal(s) and/or its affiliate(s) are complying with the business plan. Home Office may require Franchisee to modify the business plan, and Franchisee must modify it. Franchisee's, it principals' and/or its affiliates' failure to comply with the business plan, as determined by Home Office in its sole discretion, will constitute a violation of this Agreement, entitling Franchisee to any and all remedies authorized under it, up to and including termination.

8. **Computers, IP Telephony Systems and Internet Access.**

(a) Computers.

(i) Home Office owns the rights to the Movers Who Care® computer software relating to the operation of Franchisee's Unit. Franchisee is licensed to use this software and must use it. Franchisee may be required to update the software from time to time. Franchisee must purchase or otherwise obtain such computer equipment as specified by Home Office to utilize the Movers Who Care® software, and must provide Home Office with direct electronic access to Franchisee's computer equipment and software.

(ii) Franchisee is required to transmit to Home Office at the end of each business day certain customer and other business data required to be stored by the software. If Franchisee fails to electronically transmit to Home Office the data generated that day by the end of that day, Franchisee will incur a liquidated damages charge of $100 for each day that data is not transmitted. This liquidated damages charge will cover expenses Home Office incurs to collect this data. If a documented technology failure prevents electronic transmittal of the data, or some other bona fide emergency occurs preventing electronic transmittal of the data (as Home Office determines in its sole discretion), the liquidated damages charge will not be imposed.

(b) IP Telephony System and Internet Access.

(i) If Franchisee is new to the System, Franchisee is required to purchase/lease, up-date and maintain the IP telephony package and program offered by Verizon Business Network Services, Inc. ("Verizon") as determined by Home Office, which package and program provides the hardware, installation services, training and support services for the IP telephony system, as well as internet access ("Approved IP System"). Franchisee must pay for all the products and services provided by or on behalf of Verizon. Franchisee must also pay for the internet access, and all costs relating to the installation of equipment pertaining to it.

(ii) If Franchisee is a renewing franchisee with an existing Franchise Agreement, an Approved IP System must be installed and be operative at each franchise location by January 1, 2010 or the date the franchisee's existing telephone service provider's contract expires, whichever is later, but in no event later than December 31, 2010. Franchisee must pay for all the products and services provided by or on behalf of Verizon. Franchisee must also pay for the internet access, and all costs relating to the installation of equipment pertaining to it.

(iii) If Franchisee transfers or sells its rights under this Agreement, the purchasing franchisee must begin business operations using an Approved IP System as required by the terms of the purchasing franchisee's new franchise agreement.

(iv) Every installed Approved IP System must be operated, up-graded and maintained as Home Office requires at Franchisee's expense. The specific technology guidelines for the Approved IP System are available on Home Office's intranet

TruckStop website. Home Office has developed and intends to continue to develop and design the applications of the IP telephony system. Although Home Office intends to continue to use Verizon as the IP telephony system and internet access provider for Franchisee, Home Office reserves the right to select a successor IP telephony and/or internet provider if Home Office determines that it is in the best interest of the **TWO MEN AND A TRUCK®** System to do so.

(c) Certain Telephone Technology Prohibited. Telephone technology permits multiple franchise locations to have one or more telephone numbers that "roll over" to or "hunt" for an open line in one location or another. This telephone technology can be used to avoid the obligations under this Agreement, including the avoidance of properly staffing one or more franchise locations as required. Consequently, Franchisee is not permitted to use "roll over" or "hunt" telephone line system technology where there are multiple franchise locations.

9. **Franchisee Councils.** Home Office may establish councils, cooperatives, and other organizations for franchisees. If one or more of such organizations is established for a geographic area encompassing the location of Franchisee's Unit, Franchisee must join and participate in it, and must comply with its rules and procedures, but such rules and procedures will not modify Franchisee's rights or obligations under this Agreement. Any action of such an organization at a meeting attended by a majority of the members, including assessments for promotion and advertising purposes, will be binding upon Franchisee if approved by a majority of members present, with each member having one vote. Franchisee will not be required to pay more than two percent (2%) of its annual gross receipts (or $500/month for a "new franchisee" who is not a transfer franchisee as described in Article IV, Section 3, below) toward any assessment for advertising by any such organization unless all members agree to a higher rate. This advertising assessment, if it is assessed, is included as a portion of the 3% of gross receipts Franchisee must expend for advertising within its Marketing Area under Article IV, Section 3. If Home Office operates any Unit within the geographic area of the council, cooperative, or other organization, such Units of Home Office will be required to pay any assessments for promotion or advertising purposes approved by such an organization for its membership as any other member would be required to pay.

10. **Advertising Requirements and Limitations.**

(a) Local Advertising Expenditures Franchisee Must Make to Promote Its Franchise.

(i) In any calendar year, Franchisee must spend an amount equal to or greater than 3% of its gross receipts of the previous calendar year for advertising and promoting the business in its Marketing Area. For a new franchisee (excluding a new franchisee transferee) who has not been in operation for all 12 months of the previous calendar year, there is an exception to the 3% requirement. Such new franchisee must average during its first calendar year a minimum expenditure of $1,000 per month on local advertising until it has been in business for one full calendar year. For example, a new franchisee who completed its first move in March must invest $10,000 ($1,000 x 10 months) on local advertising during the first calendar year of business. In this example, the new franchisee would be required to spend a minimum of $12,000

($1,000 x 12 months) during the second calendar year, because at the beginning of the second calendar, the new franchisee would still not have been in the operation for 12 months during the previous calendar year. Beginning with the third calendar year, the new franchisee in this example would be required to spend a minimum of 3% of the previous calendar year's (i.e. second calendar year's) gross revenues on local advertising.

(ii) A new franchisee to whom a franchise has been "transferred" must spend on local advertising during the first calendar year the franchisee operates, at minimum, an annualized portion of the 3% of gross sales of the prior year's sales. For example, if a franchise generated $1,000,000 in gross sales in the year 2000 and the franchisee sold the franchise on July 1, 2001, the transferee (new) franchisee would have been required to spend a minimum of $15,000 ($1,000,000 x 3% x 6/12 months) on local advertising from July through December in the year 2001. In this example, if the gross sales for the calendar year 2001 (without regard to the transfer) had been $1,200,000, then the transferee (new) franchisee would have had to spend a minimum of $36,000 ($1,200,000 x 3% x 12/12 months) during the calendar year 2002. Franchisee must provide Home Office proof of making such expenditures as requested from time to time. These expenditures are in addition to the advertising fees Franchisee must pay to Home Office under Article IV, Section 3.

(b) Telephone Directory Advertising. All telephone directory advertising, including internet telephone directory advertising, must be placed through Home Office or a supplier Home Office selects. In rare and exceptional circumstances, and only if authorized by Home Office, in writing, Franchisee may be permitted to place its own telephone directory advertising.

(c) Advertising Materials Must be Approved by Home Office. Any advertising, marketing, or promotional materials Franchisee desires to acquire or use in any manner or media in conjunction with the operation of its Unit must be approved by Home Office in writing prior to use, unless otherwise approved in accordance with this Agreement. Proposed advertising or promotional materials must be submitted to Home Office's Marketing Department at least fifteen (15) working days before the advertising deadline. If Home Office has not provided written notice of approval or disapproval within ten (10) days of Franchisee's submission of the proposed advertising or materials, then Franchisee must give Home Office notice of Home Office's failure to act, requesting action with three (3) days. Home Office will not unreasonably deny approval, although it will require strict compliance to its advertising policies.

(d) Advertising Not Authorized by Franchisee or its Agent. Advertising for Franchisee's business that appear in publications for distribution outside Franchisee's Marketing Area that are not purchased by or on behalf of Franchisee or otherwise authorized by Franchisee or its agent are not considered unauthorized advertising for purposes of this Agreement.

(e) Information Required in Advertising. Excepting for advertising displayed on Franchisee's moving vehicles, Franchisee must describe in all advertising its business location by indicating at a minimum, the city, township, or other municipal unit in which the business office is located. Franchisee must also include the state, if necessary, to avoid confusion, to identify the location. For example, if Franchisee is located near a state border, then the state in which the Franchisee's business office is located must ordinarily be included in the advertising.

(f) Required Advertising on Moving Trucks and Other Business Vehicles. Each moving truck and other business vehicle must display the **TWO MEN AND A TRUCK®** service mark and any other of Home Office's service marks and logos as Home Office determines in accordance with marketing policy. Except as Home Office explicitly permits in writing, Franchisee may not display its business location, a telephone number, an internet website address or other website information on Franchisee's moving trucks or other business vehicles. **If Franchisee's Marketing Area is located in the state of California, Oregon, Washington, Nevada, Idaho, New Mexico or Texas, and unless otherwise dictated by law, Franchisee may not display a local telephone number on its moving trucks or other business vehicles.** In those states, Franchisee must choose one of the following options with respect to displaying telephone number or internet website address on Franchisee's trucks and other business vehicles:

(i) Franchisee may choose not to display any phone number or internet website address; or

(ii) Franchisee may display the system's toll-free phone number (800) 863-6683; or

(iii) Franchisee may display its internet website address.

(g) Cooperative Advertising. Advertising placed through a co-op advertising group that includes advertising of all co-op members' businesses may be placed anywhere within any co-op member's Marketing Area, provided such arrangement is approved by the co-op and does not violate the terms of a co-op member's Franchise Agreement not approving the advertising. Neither Franchisee, nor any co-op advertising group that Franchisee may join, has authority to place telephone directory or internet directory advertising.

(h) General Limitations on Advertising and Marketing. Franchisee may not authorize advertising or advertise outside Franchisee's Marketing Area, except to the extent that the advertising, by its nature, could not be limited to the Marketing Area or is otherwise authorized by this Agreement or Home Office policy. Internet, television and radio advertisements, yellow pages ads published for Franchisee's Marketing Area and newspaper advertising published for distribution in Franchisee's Marketing Area heard or seen outside the Marketing Area is not unauthorized advertising so long as the advertising identifies Franchisee's business address and otherwise conforms to the terms of this Agreement and/or Home Office policy.

(i) Present and Future Advertising Policy May Limit Franchisee's Right to Advertise. Franchisee acknowledges that Home Office has developed and will continue to develop advertising policies regarding the methods and manner of advertising in various media and that Franchisee is obligated to comply with all advertising policies Home Office implements at any time. Franchisee understands that existing and/or future advertising policies may limit or eliminate Franchisee's right to use telephone number(s) and/or internet website address(es) in advertising placed on Franchisee's moving vehicles and/or elsewhere. Franchisee also understands that existing and/or future policy(ies) may otherwise limit Franchisee's ability to advertise in a particular manner. Such limitations, when established, are established for the benefit of all the System's customers and/or to establish reasonable rules to govern the actions between franchisees.

(j) Agreement to Comply With Home Office Policy. Franchisee acknowledges and agrees that it is required to comply fully with Home Office's advertising policies, which are set forth in writing and available to Franchisee via Home Office's intranet.

(k) Agreement to Comply With Modifications and Changes to Home Office Policy. Home Office, in its sole discretion, reserves the right to modify or change its marketing and advertising policies, and Franchisee is obligated to comply with them (and all other policies), whether or not Franchisee believes such policy(ies) will benefit it.

(l) No False Advertising. Franchisee will make no misrepresentations in any of its advertisements.

(m) Franchisee Responsible for Content of Advertisements. Home Office does not, by virtue of its approval of any proposed advertisement or promotional material, assume any responsibility for the contents of the advertisement. Franchisee agrees to indemnify and save harmless Home Office from any claims, demands, liability, costs and expenses that Home Office suffers arising from the use of any such advertisement or promotional material.

(n) Liquidated Damages for Displaying Unapproved or Unauthorized Advertising. Except in the case of a minor violation that can be immediately cured (as determined in Home Office's sole discretion), Franchisee must pay to Home Office's Advertising Fund One Thousand ($1,000) Dollars in liquidated damages for any portion of any month Franchisee displays any advertising that Home Office did not approve or is otherwise unauthorized. For example, placing a one-year telephone directory ad not approved by Home Office could result in liquidated damages of $12,000. Imposition of such damages does not bar Home Office from seeking other remedies, including injunctive relief barring Franchisee from its on-going advertising violations, assignment of Franchisee's telephone number(s) to Home Office, or other relief, up to and including termination of the Franchise Agreement.

(o) Incentives to Advertise.

(i) To promote use of certain forms of advertising that Home Office determines will best grow the System, Home Office may offer incentives, including cash incentives, to encourage franchisees to choose alternative methods of advertising. Cash incentives will generally be paid from the Advertising Fund. Franchisee understands that these cash incentives will benefit franchisees that choose to use the type of advertising that Home Office is promoting, and will not benefit franchisees that choose not to use such form of advertising. Franchisee agrees that Home Office may, in its sole discretion, determine the best use of cash incentives drawn from the Advertising Fund to promote advertising activities, and that Franchisee will have no claim against Home Office regarding such activities whether or not Franchisee chooses to participate in the incentive program.

(ii) To promote co-op advertising, Home Office may, in its sole discretion, provide incentives, including cash incentives, to franchisees participating in co-op advertising per Home Office's advertising policy. Cash incentives will generally be paid from the Advertising Fund. Franchisee understands that these cash incentives may benefit some franchisees and not others, and Franchisee agrees that Home Office may, in its sole discretion, determine the best use of the Advertising Funds for use as cash incentives. Franchisee agrees it will have no claim against Home Office whether or not it decides to participate in a co-op advertising program offering such incentives.

11. **Corporate Stock Restrictions.** If Franchisee is a corporation or this Agreement is transferred to a corporation under Section 3 of Article VII, in whole or in part, Franchisee's board of directors will pass a resolution requiring, and the corporation must otherwise require, the prominent placement of the following notation regarding transfer restrictions on each certificate representing shares in the corporation:

"The transfer of the shares represented by this certificate are subject to the terms and conditions of a certain written franchise agreement entered into with **TWO MEN AND A TRUCK®/INTERNATIONAL, Inc.**"

Franchisee must provide Home Office with proof of complying with this provision within fifteen (15) days following the date on which any corporation obtains rights under this Agreement, in whole or in part.

12. **Employee Agreements.** To enable Home Office to protect its confidential and proprietary materials and documents, Franchisee must require its employees and agents to sign such agreements and documents as necessary to maintain the confidentiality and proprietary nature of Home Office's materials and documents.

13. **Information to Home Office; Records.**

(a) Providing Business Information to Home Office; Customer Lists. Franchisee will supply Home Office with such information about the business (in addition to that otherwise provided for in this Agreement) as Home Office may require from time to time. It is hereby agreed and understood that the Customer lists of Franchisee's business are and will remain Home Office's property.

(b) Financial Documents Submitted Annually to Home Office. Within ninety (90) days after the close of Franchisee's accounting year, whether fiscal or calendar, Franchisee will submit to Home Office a profit and loss statement for the accounting year, a balance sheet as of the end of the period, and a copy of the tax return prepared for that business. Franchisee will warrant such financial statements and tax returns to be true and correct.

(c) Maintaining Business Records as Home Office Requires. Franchisee agrees to keep true, complete and correct books of account, business records and records of Gross Receipts, in accordance with Home Office's specifications and in accordance with generally accepted accounting principles. Franchisee will keep all of its business records for a minimum of six years.

14. **Daily and Monthly Reports and Due Dates.**

(a) Daily Reports. Franchisee will electronically transmit to Home Office daily reports of financial, marketing and other information data requested by Home Office at the end of the day in which the financial, marketing and other information data is generated.

(b) Monthly Reports.

(i) Franchisee will electronically transmit to Home Office monthly sales reports pertaining to Franchisee's Gross Receipts and such other additional information requested by Home Office in monthly sales report forms furnished by Home Office ("Monthly Sales Reports"). Monthly Sales Reports are due at Home Office on or before the 15th day following the month in which the sales occurred. In addition, monthly Profit Maximization Analysis (PMA) Reports are due on or before the 20th day following the month to which the report pertains. Home Office can share information in these reports with other franchisees in the ordinary course of Home Office's business as a tool to improve the System's volume of business.

(ii) The Monthly Sales Reports and PMA Reports must be electronically transmitted to Home Office using Home Office's Movers Who Care® software system. If Franchisee fails to electronically transmit these reports due to a bona fide and verified system failure, and provides them to Home Office via facsimile, mail or otherwise, Home Office will manually input the data reflected on the reports. To cover costs for manual input, a processing fee will be charged and invoiced and payment of the processing fee will be due within 14 days of the date of the invoice. Current processing fees charges, which can change at any time, are $100.00 for each Monthly Sales Report Report and $100.00 for each PMA Report. Except in the case of electronically transmitted reports (which are deemed verified when electronically transmitted), Franchisee, or another person authorized by Franchisee, must sign each report verifying the information contained in it.

15. **Notice of Lawsuits**. Franchisee will notify Home Office, in writing, within five (5) days of the commencement of any action, suit or proceeding by Franchisee or by any person or government agency against Franchisee, and of the issuance of any order, suit or proceeding of any court, agency or other governmental body that may adversely affect the operation or financial condition of the Unit. See Section 3 of Article III regarding litigation involving any of the Marks.

16. **Disputes Arising With Third Party(ies) Not Involving a Lawsuit.** If Home Office becomes aware of a bona fide dispute between Franchisee and one or more third parties regarding Franchisee's **TWO MEN AND A TRUCK®** business, Home Office may, in its sole discretion, undertake one or more of the following options:

(a) take no action, except to direct the Franchisee to resolve the dispute in a manner that will not cause injury to the reputation of the Marks and the **TWO MEN AND A TRUCK®** franchise system;

(b) assist the parties in the resolution of the dispute, if Home Office in its sole discretion, determines that it can constructively do so, and/or

(c) if Home Office determines in its sole discretion that Franchisee cannot or will not resolve the dispute, and that such failure to resolve it has or is reasonably likely to cause damage to the Marks and/or the **TWO MEN AND A TRUCK®** franchise system's business reputation, then upon notice to Franchisee, Home Office may resolve the dispute directly with the third party(ies) by payment of damages, including attorney's fees, alleged and supported by documentary evidence by the third party(ies), and Franchisee agrees to indemnify Home Office for all such payments. If Home Office pays such damages to a third party(ies), Home Office will invoice Franchisee for the damages paid, and payment from the Franchisee will be due Home Office within fourteen (14) days from the date of invoice. In Home Office's sole discretion, it may consult a designated franchisee group to provide it with an advisory opinion regarding resolution of the dispute. Home Office would not be obligated to comply with the advice of the designated franchisee group. If Home Office consulted with a designated franchisee group, it would provide the designated group with the facts and circumstances of the dispute, but Home Office would not provide it with the identity of any of the parties to the dispute.

17. **Supplemental Exhibits and Agreements.** Franchisee is required to sign supplemental agreements simultaneous with the execution of this Agreement, including the following:

(a) Exhibit 1, Specifics. This document describes Franchisee's Marketing Area and provides other information.

(b) Exhibit 2, Guarantee. Principals of Franchisee and others personally liable for obligations under the Franchise Agreement sign this document.

(c) Exhibit 3, Telephone Number, Internet Domain Name and E-Mail Address Assignment. Simultaneously with the signing of this Agreement and any time thereafter, as Home Office requests, Franchisee will sign an assignment of the telephone number(s), internet domain name(s) and e-mail address(es) used by Franchisee in the System's business in the form of Exhibit 3 attached to this Agreement. The assignment provides that the assignment of the telephone number(s) internet domain name(s) and e-mail address(es) is effective upon the expiration without renewal, or termination of this Agreement, or upon the transfer of the franchise to a third party where the telephone number(s), internet domain name(s) and/or e-mail address(es) are not assigned to the third party.

(d) Exhibit 4, Software License Addendum. Franchisee will sign a Software License Addendum in the form of Exhibit 4 attached to this Agreement, which, among other things, will provide Franchisee with the right and obligation to use Home Office's software products in accordance with the terms and conditions of the Software License Addendum.

(e) Exhibit 5, Intranet User Agreement. Franchisee will sign an Intranet User Agreement in the form of Exhibit 5 attached to this Agreement, which, among other things, will provide Franchisee with the right and obligation to use Home Office's intranet system in accordance with the terms and conditions of the Intranet User Agreement.

(f) Exhibit 6, Truckie Mascot Addendum. If Franchisee decides that it wishes to license a "Truckie" mascot to advertise its franchise, then Franchisee will be required to sign an Addendum in the form of Exhibit 6 attached to this Agreement.

18. **Name Change or Discontinuance.** Franchisee will sign at the time of the signing of this Agreement, and at any time thereafter as Home Office requests, any form or document Home Office provides to Franchisee to cancel any assumed or fictitious name Franchisee has used or had the right to use in conjunction with this Agreement, including but not limited to the right to use the Marks. Franchisee hereby consents and authorizes Home Office to complete any such form and file it with the appropriate agency to give it effect upon the termination or expiration without renewal or transfer of this Agreement.

19. **Performance.**

(a) Minimum Performance Requirement.

(i) Subject to the sub-paragraph (ii) below, the business licensed by this Agreement must provide the following minimum number of hours of paid moves: 100 hours per month average for the first six (6) months the Franchise Unit is open for operation; 200 hours per month average for the 7th through 12th month; 300 hours per month average for the 2nd year, with the average increasing each year thereafter by 100 hours per month to the maximum minimum being a yearly average of 100 hours per month for each 50,000 of population within the Marketing Area. If Franchisee does not satisfy the minimum move hour performance requirements year to year, or does not satisfy the alternative minimum move hour performance requirements of paragraph (b) below, Home Office may: (a) reduce the size of the Marketing Area pursuant to Article I, Section 1, (b) offer to renew this Agreement at the end of its term based upon a reduced-in-size marketing area as determined by Home Office in its sole discretion, or (c) refuse to renew this Agreement at the end of its term.

(ii) If Franchisee acquires a franchise location that was a Marketing Area or "protected territory" (and/or portion thereof) of another franchisee (i.e. the Marketing Area or "protected territory" is "transferred" to the Franchisee), Franchisee will be required to maintain the minimum move hour requirements described in this Agreement, calculating the minimum move hours using the following assumptions. The first year of operation for Franchisee under this Agreement will be deemed to commence with the founding date of operation of the first franchisee to have licensed the subject Marketing Area or "protected territory." As an example of the "founding date of operation," if the first franchisee to be licensed in Franchisee's Marketing Area was licensed in 1995 and its operation commenced on May 1, 1995, the founding date for Franchisee's Marketing Area or "protected territory" (or portion thereof) for the purpose of calculating minimum move hour performance requirements would be May

1, 1995. If Franchisee's immediate predecessor operated below its minimum move hour performance requirements by ten (10%) or more, Franchisee will have from the date it signed the Franchise Agreement until the second subsequent anniversary of the founding date of operation to meet the minimum move hours performance requirement. For example, if the founding date of operation of Franchisee's Marketing Area was May 1, 1995 and the underperforming franchise was "transferred" to Franchisee on June 1, 2000, then Franchisee would have had until May 1, 2002 to meet the minimum move hours performance requirement.

(b) Alternative Minimum Performance Requirement. If Franchisee fails to satisfy the minimum performance requirements of Section 19(a) above in any performance year, Home Office will measure Franchisee's performance according to the following test to determine if Franchisee meets the minimum performance requirements: Home Office will divide the average rate Franchisee invoiced for two movers (as opposed to three or four movers) and one truck for the performance year by the total Gross Receipts (as defined in Article IV, Section 2) reported by Franchisee for the performance year. If the result exceeds the hours required for minimum performance per Section 19(a) above, then Franchisee will have satisfied the minimum performance requirements.

20. **Maintaining Confidentiality of All Franchisees' Financial Information.** Home Office may from time to time disseminate to Franchisee financial information relating to other franchisees (for example, revenue figures for all franchises). Franchisee agrees to keep this information confidential, and to not disclose this information to any other person, including prospective franchisees, without Home Office's prior written consent.

ARTICLE III
PROTECTION OF THE FRANCHISE SYSTEM

1. **Description and Ownership of Marks.**

(a) Marks Subject of this Agreement; Ownership. The Marks include the name and service mark **TWO MEN AND A TRUCK®** and other names, service marks, trademarks and logos that become a part of the System, including Marks described in Article I, above, and such other marks, names, logos and copyrights as may presently exist or be established or acquired by Home Office in the future and licensed for use to Franchisee, along with all ancillary signs, symbols or other indicia used in connection or conjunction with the foregoing. Franchisee acknowledges that as between Franchisee and Home Office, the Marks are valid trade names and/or marks solely owned by Home Office and that only Home Office and its designated franchisees have the right to use the Marks.

(b) Home Office's Right to Change, Add or Delete Marks. Home Office will have the right at any time, upon notice to Franchisee, to make additions to, deletions from and changes to any and/or all of the Marks. Home Office will make such additions, deletions and/or changes in its sole discretion, because the Marks are of substantial importance in marketing the System. Franchisee must utilize and abide by any such additions, deletions or changes to the Marks. Home Office will make all such additions, deletions or changes in the Marks in good faith and on a uniform basis for all similarly situated franchisees in a particular market.

2. **Promise Not to Contest Validity or Ownership of Marks.** Franchisee expressly promises that during the term of this Agreement and after the termination or expiration without renewal of it, Franchisee will not, directly or indirectly, contest or aid in contesting the validity or ownership of the Marks. Immediately upon termination or expiration without renewal of this Agreement, Franchisee will cease and desist from using the Marks and will return or destroy all documents, instructions, displays, paper products and other materials and advertising items and the like bearing any of the Marks. Franchisee agrees not to interfere with, in any manner, or attempt to prohibit the use of the Marks by any other existing or future franchisee or other licensee of Home Office. Whenever Home Office requests, Franchisee agrees to sign any and all other papers, documents, and/or assurances to effectuate this purpose and agrees to fully cooperate with Home Office and/or any other franchisee to secure the necessary and required consents of any governmental agency or legal authority to enable the franchisee to use the Marks.

3. **Litigation Involving Marks**. Franchisee agrees to promptly notify Home Office in writing of any claim, demand or suit based upon or arising from or out of any attempt by any other person, corporation, limited liability company or other entity to use any of the Marks. If Home Office undertakes the defense or prosecution of any litigation pertaining to any of Home Office's Marks, Franchisee agrees to sign any and all documents and do such acts and things as may, in the opinion of Home Office's counsel, be necessary to carry out such defense or prosecution. Franchisee does not have any right to, and shall not itself, defend or prosecute the Marks.

4. **Manner of Using Marks**. Franchisee must operate the Franchise Unit under the Marks and under no other name or mark. Franchisee must use the Marks only in such ways as Home Office permits in its Operations Manuals or other written notice provided from time to time. The Marks must only be used with the letters "SM" or "TM" or ®, as appropriate, wherever the Marks are used. Franchisee will not use its name or any other name that it has not previously approved in writing in connection with any of the Marks. This means among other things, that Franchisee will not operate, be employed by, or otherwise be affiliated with another business at or adjacent to the location from which Franchisee's **TWO MEN AND A TRUCK®** business operates, unless Home Office, in its sole discretion, authorizes such operation, employment or affiliation in writing. Franchisee understands that commingling the Marks with the names or Marks of others will injure the Marks and franchise System and is grounds for termination of this Agreement.

5. **Goodwill**. Franchisee acknowledges that valuable goodwill is attached to the Marks and that Franchisee will use the goodwill solely as Home Office prescribes. Franchisee agrees to operate the Franchise Unit using the Marks in accordance with the terms of this Agreement and the Operations Manual, as amended from time to time. Franchisee expressly acknowledges that any and all goodwill associated with Home Office's Marks and names, including any goodwill that might be deemed to have accrued through Franchisee's activities, inures directly and exclusively to Home Office's benefit, except as otherwise provided in this Agreement or by law. Franchisee acknowledges and agrees that its use of the Marks and any goodwill established by that use does not confer any goodwill or other interests in the Marks upon Franchisee (other than the rights expressly conferred by this

Agreement). All provisions of this Agreement relating to the Marks apply to any additional Marks Home Office authorizes Franchisee to use from time to time.

6. **Subject to Existing Use.** In addition to the rights of other franchisees licensed to operate as described in Article I of this Agreement, Franchisee acknowledges and agrees its right and license to use the Marks is subject to any other person's use of a name or mark that existed prior to Franchisee's use of the Mark(s).

7. **Permitted Business Name.** No part of any of the Marks, nor any words similar to any of the Marks, can be included in any trade name, corporate name, limited liability company name, partnership name or any other name Franchisee uses without Home Office's prior written approval. Where required or permitted by applicable law, Franchisee may register as carrying on a business per this Agreement's terms using as an assumed or fictitious name the name described in Section C of Exhibit 1. No corporation, limited liability company, partnership or other entity affiliating with Franchisee or its principals, officers or affiliates can use any part of the Marks or words similar to the Marks as a business name, except as Home Office authorizes by written agreement.

ARTICLE IV
FEES AND CHARGES
FRANCHISEE PAYS IN CONNECTION WITH ORDINARY OPERATIONS

1. **Franchise Fee.** In consideration of the rights and license granted by Home Office, Franchisee agrees to pay, at the time of signing of this Agreement, an initial franchise fee equal to the amount specified in Section D of Exhibit 1. The initial franchise fee is non–refundable.

2. **Royalty Fee.** In consideration of the franchise granted by Home Office, Franchisee agrees to pay to Home Office a royalty of six percent (6%) of the gross receipts of Franchisee's Unit . Gross receipts of Franchisee's Unit means all income from whatever source arising out of, directly or indirectly: (i) the sale of goods and/or services offered by or through the Unit, and (ii) the sale of goods and/or services by Franchisee or a third party(ies) selling products and/or services on Franchisee's behalf that are sold or that are required to be sold under the terms of this Agreement, no matter from what location or business the income is generated ("Gross Receipts").

3. **Advertising Fees.** Recognizing the value of consistent advertising for the financial growth of the System, Franchisee will pay Home Office, an advertising fee of one percent (1%) of the Gross Receipts. The advertising fees will be placed in an advertising fund ("Advertising Fund") that Home Office will administer and control in its sole discretion. Home Office will use the advertising fund to maximize public recognition of the Marks, solicit the granting of franchises to expand the System, produce advertising and support materials for use by franchisees, provide the means and materials to produce truck signs and lettering, make promotional items available for purchase by franchisees, pay the expenses of the advertising fund, and other uses Home Office designates. Home Office reserves the right to engage the services of outside agencies to formulate, develop, produce or conduct advertising for the Advertising Fund and the cost of these services can be paid from the fund.

Home Office is not required to spend Franchisees' advertising fees to place advertising in Franchisee's Marketing Area.

4. **Technology Support and Development Fee.** In consideration of the continued development, use and maintenance support that Home Office will provide for the computer software system, Franchisee agrees to pay Home Office $275 per month, or other amount charged as adjusted due to the costs of developing, using and supporting the computer system ("Technology, Support and Development Fees"). Franchisee acknowledges and understands that Home Office retains a portion of the Technology Support and Development Fees and all payments Franchisee makes for licensing the software to Franchisee.

5. **Miscellaneous Fees or Charges.** In consideration of the license granted and the services Home Office will perform hereunder, Franchisee agrees to pay Home Office all miscellaneous fees and charges Franchisee is invoiced for any goods and/or services provided to Franchisee and/or on behalf of it. Among other miscellaneous charges that Franchisee may be obligated to pay:

(a) Liquidated Damages. Liquidated damage amounts Franchisee will be charged for failing to comply with specific contract obligations and/or policies Home Office establishes. The liquidated damages amounts Franchisee will be obligated to pay will cover Home Office's damages suffered as a result of Franchisee's breach(es). Such damages include Home Office's additional administrative expenses and damages arising from loss of the System's reputation resulting from the breach(es). If Home Office determines, in its sole discretion, that the liquidated damages charged exceed Home Office's expenses, Home Office's damage to its reputation and/or other damages, then Home Office will place the excess liquidated damages in its Advertising Fund to support advertising for the System. The liquidated damages amounts vary, depending on the policy. Among other liquidated damages, Home Office can impose liquidated damages for failure to comply with: (i) marketing policy regarding non-approved advertising, including but not limited to co-branding ($1,000 per violation), (ii) telephone directory advertising policy ($1,000 per month), (iii) vehicle safety and appearance policies ($100 per day per violation), (iv) office and premises appearance policies ($100 per day per violation), (v) employee uniform and appearance policy ($200 per violation), (vi) uniform form policy ($200 per violation), (vii) daily electronic transmission of data policy ($100 per day per violation), (viii) standard of appearance policies for office locations ($100 per day per each violation for each day the violation is not cured), and (ix) signage lettering removal policy ($2,500 for failure to remove lettering from buildings and trucks upon termination or expiration of Franchise Agreement). Franchisee agrees that these liquidated damage amounts are reasonable. Franchisee also agrees that whether or not Home Office invokes its right to recover liquidated damages, Home Office does not waive, and is not barred, from any remedy, monetary or non-monetary, in law or in equity, authorized under any federal, state or local law or otherwise permitted by this Agreement.

(b) Amounts Paid on Franchisee's Behalf to Third Parties. As supplemented by Franchisee's general obligation to indemnify Home Office in accordance with Article IX, Section 5, Franchisee agrees that it must promptly reimburse Home Office for any and all payments Home Office makes to or on behalf of Franchisee's Customers and/or other third parties to resolve a dispute(s) between Franchisee and Customer(s) and/or other third parties that cause damage or are reasonably likely to cause damage to the System's reputation if the dispute is not resolved. Home Office may invoice Franchisee for such amounts promptly after Home Office has made such payment(s), and Franchisee agrees to pay such invoice within fourteen (14) days of invoice.

(c) Multiple Franchisee Advertising. If Franchisee advertises in a directory with other franchisees covering multiple Marketing Areas and the franchisees advertising in the directory cannot coordinate or do not coordinate their advertising in a reasonable manner, as determined solely in Home Offices discretion, then Home Office can mandate the advertisement as Home Office, in its sole discretion deems reasonable, and franchisees will be responsible for the cost of such advertising.

6. **Tax Reimbursement Fees**. Franchisee must pay Home Office, or its affiliate or designee, promptly when due, all sales taxes, use taxes, personal property taxes and other taxes imposed upon Home Office or collected from Home Office on account of goods and services Home Office furnishes to Franchisee through the sale, lease or otherwise, or on account of Home Office's collection of the initial franchise fee or other fees, royalties or payments this Agreement requires.

7. **Payment of Monthly Fees**. Franchisee must pay the full amount of the royalties, advertising, Technology Support and Development Fees, and miscellaneous fees and charges as provided above and no offset or claim may be had against those fees unless otherwise stated in this Agreement. Royalties, advertising, Technology, Support and Development Fees and miscellaneous fees and charges must be paid to Home Office on or before the 15th day of the month following the month the revenue was generated (royalties and advertising fees), the fees were charged (Technology Support and Development Fees) and/or the services or sales giving rise to the fees were provided (miscellaneous fees or charges). Payments must be paid via ACH (Automated Clearing House) transfers or other form of payment transfer as Home Office establishes.

8. **Interest**. All amounts Franchisee owes to Home Office, whether or not pursuant to this Agreement, that are past due, will bear interest from the due date at the rate of eighteen percent (18%) per annum, or if there is a lower maximum contract rate fixed by law, then at such rate, which interest will be computed from the due date to the date paid. All amounts paid will be first applied to interest and the balance to principal.

ARTICLE V
TERM AND RENEWAL; TERMINATION

1. **Term and Renewal**. This Agreement is binding upon the parties for a period of five (5) years beginning on the date this Agreement is signed. Before the expiration of the initial term of this Agreement, Franchisee can renew this license for one additional five (5) year term provided Franchisee (and its affiliate(s), if any): (a) are in compliance with this Agreement and any other franchise agreements between the parties or their affiliates at that time Franchisee requests renewal and through the date renewal is to occur, (b) signs the then current form of franchise agreement, which agreement may contain terms materially different than terms of this Agreement, (c) has made such changes to its equipment and operations as will make its business conform to the then current requirements of new franchises, (d)

satisfactorily completes all additional training Home Office requires at that time, and (e) pays Home Office a renewal fee equal to ten percent (10%) of the initial franchise fee at the time of renewal. In addition, per Article I, Section 5, Franchisee must pay the cost and expenses of training any additional employees of Franchisee at renewal. The new franchise agreement must be signed prior to the expiration of the initial term of this Agreement. Franchisee must give Home Office notice of its desire to renew at least sixty (60) days, but not more than six (6) months, prior to the expiration of the term of this Agreement. If local law requires Home Office to give notice to Franchisee prior to the expiration of the term, this Agreement will remain in effect on a month–to–month basis until Home Office gives such notice.

2. **Termination by Franchisee.** Franchisee has the right to terminate this Agreement prior to its expiration only for good cause and only in accordance with the requirements set forth in Section 6 of Article V. Good cause under this paragraph means any material breach of this Agreement by Home Office.

3. **Termination by Home Office.** Home Office has the right to terminate this Agreement prior to its expiration only for good cause and only in accordance with the requirements of Sections 4 or 6 of Article V. Good cause means any breach of this Agreement by Franchisee or the occurrence of any of the events listed in Sections 4 and 5 of Article V.

4. **Immediate Termination.** Any of the following events will: (i) constitute a default under this Agreement, (ii) be good cause for termination of this Agreement, and (iii) will entitle Home Office to terminate this Agreement upon five days written notice to Franchisee, without affording Franchisee an opportunity to cure:

(a) Franchisee's or its affiliate(s)' willful and material misrepresentation(s) of acts or omissions relating to the acquisition of the franchise granted by this Agreement or the on-going operation of franchise business;

(b) Franchisee's assignment or transfer of the rights and/or obligations under this Agreement or the transfer of the Franchise Unit without complying with the provisions of this Agreement;

(c) Franchisee's abandonment of any of its obligations under this Agreement;

(d) Franchisee's failure to provide services for a period of 10 or more consecutive days without the prior written approval of Home Office, unless caused by acts of God or other circumstances beyond Franchisee's control;

(e) Franchisee's, or its affiliate(s)' conviction of or plea of guilty or no contest of a crime for which the minimum penalty includes imprisonment for more than one year or any other crime, offense or misconduct involving moral turpitude or in any way relevant to the operation of the business licensed under this Agreement;

(f) Franchisee's breach of the same or a similar provision of this Agreement, or other agreement, including any supplemental agreement as referenced in Article II, Section 15, or the Operations Manual, where there have been three or more separate breaches in any

12 month period so long as Home Office made it known in writing to Franchisee that such an act was a breach prior to the second breach upon which Home Office is relying;

(g) Franchisee's and/or its affiliate(s)' breach of the same or similar provision of any other **TWO MEN AND A TRUCK®** franchise agreement to which Franchisee or its affiliate are a party, including related agreements, and the Operations Manual, where there have been three or more separate breaches (including but not limited to Franchisee's failure to pay royalties, ad fees or any other amounts when due) during any 12 month period so long as Home Office made it known in writing to Franchisee that such an act was a breach prior to the second breach upon which Home Office is relying;

(h) Franchisee's and/or any of its affiliate(s)' act(s) or omission(s) that discourage, prevent or otherwise retard or stop a prospective or existing franchisee of the System from obtaining a household goods moving authority or other license or authority generally possessed by persons in the household moving industry, including but not limited to, the filing of protest(s) or petition(s) with any governmental authority objecting to a prospective or existing franchisee from obtaining such authority, cooperating or assisting another to undertake an act(s) or omission(s) to discourage, prevent or otherwise retard or stop a prospective or existing franchisee from obtaining a household moving authority;

(i) Franchisee's or affiliate(s)' dishonest or unethical conduct that, in Home Office's sole opinion, adversely affects the System's reputation and/or the goodwill associated with the Marks;

(j) Franchisee's or affiliate(s)' intentional conduct to make any unauthorized use or disclosure of any part of the Operations Manual, or any other of Home Office's confidential and/or proprietary information;

(k) Franchisee's or its affiliate(s)' conduct of any kind that reflects materially and adversely on Home Office's operation, Marks or System;

(l) Adjudication of bankruptcy of Franchisee, the insolvency of the Franchisee's business, appointment of a receiver or trustee to take charge of Franchisee's business by a Court of competent jurisdiction or the general assignment for the benefit of creditors of Franchisee; or

(m) Entry of a final judgment or the unappealed decision of a regulatory officer or agency which results in a temporary or permanent suspension of any permit or license, possession of which is a prerequisite to operation of Franchisee's business.

5. **Termination After Notice**. Any of the following events will: (i) constitute a default under this Agreement, (ii) be good cause for the termination of this Agreement, and (iii) will entitle Home Office to terminate this Agreement in accordance with the requirements set forth in Section 6 of Article V:

(a) Franchisee's failure to have its Unit open to the public and operational within four months following the month in which this Agreement is signed;

(b) Franchisee's failure to promptly pay its obligations to Home Office when due, whether or not the obligations accrue under the terms of this Agreement;

(c) Franchisee's failure to promptly pay its obligations to third parties, including but not limited to suppliers, landlords and financial institutions whether or not such obligations accrue in connection with the business authorized by this Agreement;

(d) Franchisee's act(s) or omission(s) giving rise to any material inaccuracy or inaccuracies in the accounting of Franchisee's Gross Receipts or financial statements;

(e) Franchisee's breach of any other term(s) of this Agreement or other agreement between Franchisee and Home Office, including the supplemental agreements referenced in Article II, Section 17, the Operations Manuals or any other obligation specified by Home Office, including but not limited to training and performance requirements described in the Agreement or other agreements;

(f) Franchisee's or its affiliate(s)' breach of any term(s) of any other **TWO MEN AND A TRUCK®** franchise agreement to which Franchisee or its affiliate are a party, including related agreements, or the Operations Manuals, or any other obligation owed to Home Office, including but not limited to training and performance requirements described in the other franchise agreement(s); or

(g) Any person's cancellation of or the existence of circumstances that create the unenforceability of any guaranty of the obligations of this Agreement.

6. **Notice Required for Termination; Cure; Notice of Defenses and Claims.** The following procedures must be used when providing for notice of termination "for good cause" (other than termination under Section 4 of Article V):

(a) A party terminating for good cause ("terminating party") must give a written notice of termination to the party in default ("defaulting party") specifying any reason(s) for such termination and the date the termination will be effective. The effective date of termination must be at least ten (10) days from the date of the notice for the non–payment of any amounts due and at least thirty (30) days from the date of the notice in all other instances. Except as provided in Subsection 6(B) below, termination will be automatically effective without further action by the terminating party upon the expiration of the notice period.

(b) The defaulting party can prevent termination only by completely curing, prior to the expiration of the notice period, all the defaults specified by the terminating party in the notice.

(c) The defaulting party must give written notice to the terminating party of all objections, defenses or disputes to termination, claims against the terminating party, setoffs, breaches of this Agreement or other agreements by the terminating party, or other actions, claims or defenses, if any, that the defaulting party claims against the terminating party. Such notice must be given within thirty (30) days of the date of the notice of termination. If the defaulting party fails to give the notice required in this Subsection, the defaulting party is barred from seeking any relief, whether by way of action or defense, in any Court, or otherwise, with respect to any matter or issue that was subject to such notice.

(d) If the laws of the state in which the Franchisee's Unit is located require a different notice period, opportunity to cure or imposes other obligations for termination of this Agreement or other agreements relating to it, the requirements of those laws will apply in place of the provisions of this Agreement, to the extent the provisions in this Agreement conflict with those laws.

ARTICLE VI
OBLIGATIONS AND RIGHTS UPON TERMINATION OR EXPIRATION

1. **Franchisee's Obligations**. Upon termination, expiration without renewal, or transfer of this Agreement for any reason, Franchisee's rights to use the Marks and System and all other rights associated with being a licensed franchisee of Home Office will cease and the following, as well as any other provisions of this Agreement relating to termination or expiration, will apply:

(a) Pay All Debt. Franchisee must immediately pay Home Office any and all amounts owing to it for whatever reason.

(b) Cease Operating Business. Franchisee must cease holding itself out as a Franchisee and must stop using all Marks, processes, materials, methods or promotional materials Home Office provided or licensed to Franchisee. Franchisee must take all necessary steps to disassociate itself from Home Office and the System, including, but not limited to, the removal of signs, destruction of letterhead, changing of telephone listings and the like, unless the same are transferred to another franchisee or Home Office. Franchisee must take such action as necessary to amend or cancel any assumed name, business name or equivalent registration that contains any Marks and Franchisee must furnish Home Office with satisfactory evidence of compliance with this obligation within ten (10) calendar days after the termination, expiration, or transfer of this Agreement.

(c) Return Confidential Information and Other Assets. Franchisee must promptly return to Home Office all operating and training manuals, i.e. the Operations Manual, including but not limited to the Pre-Opening Manual, All About Trucks and Equipment Manual, Managing Personnel Manual, Administration Manual, Frontline Manual and Forms Manual, all of Home Office's policies and procedures, forms, "Movers Who Care®" and other software, all training and promotional aids and all other confidential and proprietary information, unless it is transferred to a new franchisee.

(d) Permit Inspection. Franchisee must permit Home Office to make final inspection of Franchisee's financial records, books, tax returns and other accounting records within three (3) years after the effective date of termination, expiration, or transfer.

2. **Other Obligations**. Termination or expiration of this Agreement will not lessen the liability or further obligation of Franchisee pursuant to this Agreement relating to Home Office's option to purchase Franchisee's assets, restrictions on disclosure and use of Confidential Information, restrictions on competition, or other such obligations that by their

terms or intent survive termination or expiration of this Agreement. Such Franchisee obligations will survive termination or expiration of this Agreement.

3. **Cumulative Remedies.** This Agreement's termination or expiration and/or enforcement of the provisions of this Article VI will not affect or prejudice any of Home Office's other rights or remedies for Franchisee's breach of this Agreement, whether such rights and remedies are contained in this Agreement or otherwise provided by law or equity.

4. **Damages for Loss of Bargain.** In addition to any other remedies available to Home Office, if this Agreement is terminated prior to its expiration (other than termination by Franchisee for cause), Home Office will be entitled to recover from Franchisee damages attributable to the loss of bargain resulting from such termination. The parties hereby stipulate and agree that the damages for such loss of bargain will be the present value of the royalty that would have been payable to Home Office for the balance of the term of this Agreement. The aggregate amount of royalty that would have been payable will be calculated utilizing annual gross receipts equal to the average annual gross receipts of Franchisee's Unit for the two year period (or such lesser period if the Franchisee was not in operation for a full two year period) immediately preceding the date of termination. For purposes of this paragraph, Gross Receipts will be calculated based on Gross Receipts reported by Franchisee or as actually determined by an audit of Franchisee's business, in Home Office's discretion. If Franchisee has failed or refused to report any Gross Receipts prior to termination, Home Office may reasonably estimate such Gross Receipts.

5. **Option to Purchase Equipment.** Home Office will have the option to purchase Franchisee's equipment used in its franchise business, if within thirty (30) business days after expiration or termination of the Franchise Agreement Home Office gives Franchisee written notice that Home Office will pay fair market value for the equipment. Fair market value of the equipment will be an amount that Home Office and Franchisee agree upon. If Home Office and Franchisee cannot agree upon what the fair market value of the equipment is within seven (7) days, then a licensed appraiser mutually acceptable to Home Office and Franchisee will determine fair market value, and Home Office will be obliged to pay Franchisee the fair market value as determined by the appraiser.

ARTICLE VII
SALES OR TRANSFER OF THE FRANCHISE; ADDING A FRANCHISEE OR PRINCIPAL TO FRANCHISE AGREEMENT

1. **Transfer by Home Office.** This Agreement and all of Home Office's rights and obligations under it may be assigned and transferred by Home Office so long as the performance of all of the obligations owing the Franchisee have been performed or provided for, and if so assigned or transferred, will be binding upon and inure to the benefit of Home Office's successors and assigns.

2. **Transfer by Franchisee.** This Agreement is personal to Franchisee, because Home Office is relying on Franchisee's individual qualifications and representations, or Franchisee's principal(s) individual qualifications and representations, if Franchisee is a partnership, corporation, limited liability company or other legal entity. Therefore, neither this Agreement nor any of its rights or privileges, nor any shares of stock in the corporation if

the Franchisee is a corporation, nor any interest in the partnership, limited liability company or other entity, if Franchisee is a partnership, limited partnership or other entity, can be assigned, transferred or divided in any manner by anyone without Home Office's prior written approval. Home Office's approval will not be unreasonably withheld, but may be conditioned upon any or all of the following:

(a) Prospect's Character, Business Experience and Credit Rating. Home Office must be satisfied with the character, business experience, and credit rating of the proposed new franchisee (and its principals if the proposed new franchisee is a corporation, limited liability company, partnership or other legal entity).

(b) Payment of All Debt Owed Home Office; Escrow Account. Franchisee's and its principals' payment of any and all debt they owe Home Office, individually or jointly, whether or not such debt arises under this Agreement must be paid; this debt includes, but is not limited to, all royalties, advertising fees and technology development and support fees [including those owed for the final month (or portion thereof) of the Franchisee's business operation]. Home Office may require that sufficient funds, as it determines in its sole discretion, be placed in an escrow account to cover indebtedness owed Home Office for any reason. After the debt is paid, any remaining balance held in escrow not owed to third parties must be returned to Franchisee;

(c) Payment of All Debt Owed Third Parties; Escrow Account. Franchisee must fulfill all obligations to and pay all debt owed to third parties. With respect to disputed debt that third parties claim are owed them, including customers' damage claims, Home Office can require that sufficient funds, as it determines in its sole discretion based upon past experience, be placed in an escrow account to cover such potential indebtedness. After the disputes are resolved and settled, any remaining balances held in escrow not owed to Home Office must be returned to Franchisee; debt held in escrow owed to Home Office must be paid to Home Office;

(d) Prospect's Satisfactory Completion of Training. The proposed new franchisee must satisfactory complete Home Office's initial training program, which must take place at the first available training program offered after the closing of the transfer;

(e) Payment of Transfer Fee. Franchisee must pay Home Office a transfer fee equal to twenty-five percent (25%) of the initial franchise fee, which must be paid prior to transfer and prior to the training of the proposed transferee;

(f) Execution of Agreement Terminating Franchise Agreement and Releasing Home Office and Others of Liability. Franchisee must sign an agreement terminating this Agreement and releasing any and all claims Franchisee has against Home Office, and Home Office's officers, directors, agents and employees arising out of or related to this Agreement, which release must contain the language and be in a form chosen by Home Office. Home Office will not require any release of liability specifically proscribed by any state statute regulating franchising, but the parties may agree to voluntarily do so in settlement of any or all claims;

(g) Execution of a New Franchise Agreement by New Franchisee. The proposed new franchisee must execute a new franchise agreement with Home Office in the form Home Office uses at the time of transfer for the term remaining on this Agreement, or for the term otherwise specified in the new franchise agreement as Home Office determines in its sole discretion.

3. **Transfer to Corporation or Limited Liability Company**. If Franchisee is a sole proprietorship or partnership, Home Office hereby expressly consents to the assignment of this Franchise Agreement to a corporation, limited liability company or other generally recognized legal entity formed, operated and controlled solely by Franchisee(s) to operate the Unit licensed by this Agreement, provided Franchisee complies with the following:

(a) Assignment Does Not Affect Liability. The assignment does not relieve the original Franchisee(s) of the obligations of the Franchise Agreement.

(b) Requirements Regarding Stock Certificate(s). The stock certificates representing shares in the Corporation or other document representing an interest in another generally recognized legal entity must permanently contain the notation described in Section 11 of Article II.

4. **Adding a Franchisee(s) or a Principal(s) to the Franchise Agreement.**

(a) Application and Approval Necessary to Add Franchisee or Principal. Franchisee (or a principal(s) of Franchisee in the case where Franchisee is a corporation, limited liability company or other legal entity other than an individual) may, at any time, request that an applicant(s) be added as an additional Franchisee(s) (or an additional principal(s) of Franchisee in the case where Franchisee is a corporation, limited liability company or other legal entity other than an individual). If such applicant is approved, then Home Office deems such approved applicant(s) to have the same rights and obligations of the Franchisee (or of the principal(s) of Franchisee in the case where Franchisee is a corporation, limited liability company or other legal entity other than an individual).

(b) Conditions Necessary for Approval. The following requirements must be satisfied prior to the conditional approval of an applicant:

> (i) each applicant(s) must complete Home Office's written application form, and agree, in writing, that Home Office may perform a credit and background check on the applicant(s);
>
> (ii) each applicant(s) must complete a written personality profile that Home provides him/her;
>
> (iii) each applicant must visit Home Office, and be interviewed by one or more Home Office personnel;

If Home Office, in its sole discretion, determines that the applicant remains qualified after satisfactory completion of the above requirements, it will grant the applicant conditional approval, which approval will become unconditional after: (a) Home Office receives a fee equal to 12½ % of the then current initial franchise fee for each conditionally approved applicant, (b) each conditionally approved applicant satisfactory completes (in Home Office's sole discretion) the training program described in Article I, Section 5, and (c) each applicant signs the personal guaranty, Exhibit 2 of the Franchise Agreement, as an additional signatory.

(c) Adding Approved Applicant. Home Office, in its sole discretion, may require an approved applicant to wait until the renewal date of the Franchise Agreement to be added as a Franchisee (or a principal of Franchisee in the case where Franchisee is a corporation, limited liability company or other legal entity other than an individual).

5. **Death or Incapacity of Franchisee or Principal.**

(a) Obtaining Consent to Continue Operating. In the case of Franchisee's death or mental incapacity (or the principal, shareholder, general partner, majority owner or majority member of Franchisee if Franchisee is a corporation, partnership, limited liability company or other legal entity), the legal representative, or other authorized person controlling the Franchisee's affairs must request, within thirty (30) days of the death or incapacity, Home Office's consent to continue to operate the Unit licensed by this Agreement. This consent will not be unreasonably withheld but may be conditioned upon the manager of the Unit having satisfactorily completed the training or otherwise being certified by Home Office as meeting its minimum qualifications.

(b) Requirement to Transfer. The legal representative or other authorized person must propose, in writing, a transferee of the Franchisee's interest in the franchise that is acceptable to Home Office within one hundred eighty (180) days of the death or incapacity. If the legal representative or other authorized person does not propose in writing to Home Office a transferee that is acceptable to Home Office within one hundred eighty (180) days of the death or incapacity, this Franchise Agreement will be subject to termination.

6. **Right of First Refusal.** Franchisee or any principal or other person owning an interest in Franchisee or any legal heir or devisee or legal representative of a deceased or incapacitated Franchisee or person owning an interest in Franchisee cannot transfer any interest in Franchisee's franchise or the assets of the franchise without first offering the franchise or assets to Home Office. The terms of any offer to Home Office must be the same terms as offered to or by the proposed transferee. Franchisee must deliver a copy of the offer to Home Office. Franchisee must also deliver copies of all documents to be executed by Franchisee or such other person in conjunction with the proposed transfer and such financial or other information Home Office specifies to reasonably inform Home Office of the financial condition of the franchise business. Home Office will have thirty (30) days from the date of delivery of the information specified above, to exercise, by written notice to Franchisee, the right to purchase such interest for the price and on the terms specified in the offer. Home Office can designate a substitute purchaser provided that Home Office assumes responsibility for the performance of any purchaser it designates. If Home Office exercises its right of first refusal, the parties must close the transaction within thirty (30) days of Home Office's notice of election or the date designated in the offer, if later. If Home Office does not exercise its right of first refusal, Franchisee may complete the transfer, but only on the same terms and conditions offered to Home Office. Any such transfer is subject to Home Office's rights of

approval as specified in this Article. If the transfer is not completed within sixty (60) days, Home Office will, again, have the right of first refusal to purchase such interest.

ARTICLE VIII
CONFIDENTIALITY AND NON-COMPETITION

1. **Confidential Information.**

(a) Defining Confidential Information. Home Office possesses, and upon execution of this Agreement Franchisee has the right to possess, certain confidential information ("Confidential Information") relating to developing and operating **TWO MEN AND A TRUCK**® franchise moving businesses, including (without limitation):

(i) Operations Manuals, training methods, operations methods, techniques, processes, policies, procedures, systems and data;

(ii) specifications and information about products or services:

(iii) marketing techniques, knowledge, and experience, and marketing and advertising programs used in developing and operating the **TWO MEN AND A TRUCK**® franchise moving businesses;

(iv) all information regarding the identities and business transactions of customers and suppliers;

(v) computer software, including "Movers Who Care®" software and similar technology that is developed by or for Home Office or its agents, which is proprietary to Home Office, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(vi) knowledge of the operating results and financial performance of Franchisee's **TWO MEN AND A TRUCK**® franchise moving business and of other **TWO MEN AND A TRUCK**® franchise moving businesses;

(vii) all knowledge, information, reports, data, source code and documents Franchisee acquires or has access to pertaining to services provided by TARGUS*info*® ("Targus") and its successor, if any, in connection with a Commercial Information Services Agreement between Targus and Home Office and any other agreement(s) between them, if any; and

(viii) other property that Home Office describes as being confidential information or trade secrets of the **TWO MEN AND A TRUCK**® franchise system.

(b) Ownership and Use of Confidential Information. Franchisee acknowledges that Home Office owns the Confidential Information and/or the rights to use the Confidential

Information and agrees that Franchisee will not acquire any interest in the Confidential Information, other than the right to use it as Home Office specifies in operating Franchisee's **TWO MEN AND A TRUCK®** franchise moving business during this Agreement's term. The Confidential Information or the right to use the Confidential Information is proprietary to Home Office and is disclosed to Franchisee only on the condition that Franchisee agrees that it will:

(i) not use the Confidential Information in any other business or capacity;

(ii) keep each item deemed to be part of Confidential Information absolutely confidential, both during this Agreement's term and then thereafter for as long as the item is not generally known in the moving or other relevant industry(ies);

(iii) not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and

(iv) adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Franchisee's **TWO MEN AND A TRUCK®** employees and others within the **TWO MEN AND A TRUCK®** System. Franchisee will require its employees having access to Confidential Information to sign non-disclosure and non-competition agreements. Home Office has the right to regulate the form of agreements that Franchisee uses and to be a third party beneficiary of those agreements with independent enforcement rights.

Franchisee acknowledges that the System in its entirety constitutes Home Office's trade secrets and/or Confidential Information, which are revealed to Franchisee in confidence, solely for the purpose of enabling Franchisee to establish and operate Franchisee's business in accordance with the terms of this Agreement. Franchisee agrees that during the term of this Agreement and after termination, expiration or transfer of this Agreement, Franchisee and its affiliates will not reveal any aspect of the System or any documentation relating to the System (including but not limited to the Operations Manual, other company policies, computer software and similar technology, digital passwords and identifications that Home Office has licensed to Franchisee or that otherwise are proprietary to Home Office), or any portion thereof, to any person or entity, other than a person authorized by Home Office. Franchisee further agrees that prior to revealing any aspect of the System to any employee, the employee will be required to execute an agreement binding the employee to a covenant of confidentiality with respect to the Confidential Information.

(c) Development of New Proprietary or Confidential Information. All ideas, concepts, techniques, or materials relating to a **TWO MEN AND A TRUCK®** business, whether or not protectable intellectual property and whether created by or for Home Office or by or for Franchisee, must be promptly disclosed to Home Office and will be Home Office's sole and exclusive property, part of the System, and works made-for-hire for Home Office. Franchisee hereby assigns ownership of the intellectual property, and all related rights to it, to Home Office to the extent that any intellectual property does not qualify as a "work made-for-hire" for Home Office. Franchisee agrees to take whatever action (including signing an assignment or other documents) that Home Office requests to evidence its ownership in the intellectual property.

(d) Expiration, Termination or Transfer of Agreement. Franchisee agrees that when this Agreement expires, is terminated, or upon the transfer of Franchisee's franchise, Franchisee will immediately cease using any and all of the Confidential Information in any business or otherwise, and return to Home Office all copies of all Confidential Information that Franchisee has in its possession. Franchisee acknowledges and agrees that it will be liable to Home Office for any use of the Confidential Information not authorized by this Agreement.

2. **Exclusive Business, Non Competition.**

(a) In-Term Covenant. Franchisee acknowledges that Home Office has granted Franchisee the franchise in consideration of and reliance upon Franchisee's agreement to deal exclusively with Home Office. Franchisee, therefore, agrees that during this Agreement's term, neither Franchisee, nor any of its principals, officers, directors, shareholders, members, agents, spouses of any of them or affiliates will (except to comply with the terms of other **TWO MEN AND A TRUCK®** franchise agreements between them):

(i) have any direct or indirect controlling interest as an owner — whether of record, beneficially, or otherwise — in a Competitive Business, wherever located or operating;

(ii) have any direct or indirect non-controlling interest as an owner — whether of record, beneficially, or otherwise — in a Competitive Business, wherever located or operating [except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph];

(iii) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(iv) divert or attempt to divert any actual or potential business or Customer of Franchisee's business to a Competitive Business; or

(v) engage in any other activity that might injure the goodwill of the Marks or System.

For purposes of this Agreement, the term "Competitive Business" means: (a) any moving, storage, packing, unpacking or similar business, or (b) any business granting franchises or licenses to others to operate moving, storage, packing, unpacking or similar businesses.

(b) Post-Term Covenant. For two (2) years from and after the expiration, termination, or transfer of the rights and obligations under this Agreement (or from and after the date Franchisee ceases the prohibited competition, if later), neither Franchisee nor any of its principals, officers, shareholders, members, agents, spouses of any of them, or affiliates can, without Home Office's prior written consent, directly or indirectly (either as an individual or in partnership or in conjunction with any other person as principal, agent, shareholder, member or in any other capacity whatsoever) carry on, be engaged in, or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of, or be employed by any person engaged in or concerned with or interested in any Competitive Business, including but not limited to any business identical to or similar to the business using the System licensed by this Agreement which business is located within Franchisee's Marketing Area or within 20 miles of the Franchisee's Marketing Area or the marketing area or territory of any other **TWO MEN AND A TRUCK®** business existing at the time Franchisee is terminated, transferred or otherwise leaves the System. If any covenant that restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, the parties agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

ARTICLE IX
RELATIONSHIP OF PARTIES; INDEMNIFICATION

1. **Independent Contractor.** Franchisee is an independent contractor and nothing in this Agreement will be construed so as to create an agency or an employment relationship, a partnership or a joint venture between the parties. Neither party can act or has the authority to act as agent for the other and neither Franchisee nor Home Office can guarantee the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing. The Franchisee is not and cannot hold itself out as being an agent or employee of, or a partner or joint venture with Home Office.

2. **Separate Identification of Business.** Franchisee must identify its Unit as a separate business by filing an assumed name certificate or other documentation as appropriate in the state and/or county of location of the Unit. Franchisee must display such signs, notices or plaques as Home Office specifies to identify the separate ownership of the Unit.

3. **No Liability for Acts of Other Party.** Home Office and Franchisee may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that their relationship is other than franchisor and Franchisee owner. Home Office will not be obligated for any damages to any person or property directly or indirectly arising out of the Franchisee's **TWO MEN AND A TRUCK®** operation.

4. **Taxes.** Home Office has no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon Franchisee or its principals, due to the business Franchisee conducts (except for income taxes and any other taxes Home Office is required by law to collect from Franchisee on purchases from Home Office). Franchisee is responsible for paying these taxes.

5. **Indemnification.** Franchisee will indemnify and hold harmless Home Office, it officers, directors, employees and agents, and any of its franchisees or other licensees from

all fines, charges, suits, proceedings, claims, demands, damages, liabilities, costs, and settlements with Customers and/or others, including the payment of reasonable attorney's fees, arising out of any action(s) and/or inaction(s) of Franchisee and/or any lawsuit, proceeding of any kind or nature and/or settlement negotiations that relate in any way to Franchisee's franchise business.

ARTICLE X
LAW AND JURISDICTION; INJUNCTIVE RELIEF

1. **Michigan Law and Jurisdiction.** This Agreement and its construction and any other disputes between/among the parties will be governed by the substantive laws of the State of Michigan. Unless otherwise precluded by law, any legal proceedings between the parties must be brought and conducted only in a State or Federal Court in the State of Michigan located in the County in which Home Office's principal office is located and Franchisee consents to those Courts having personal jurisdiction of Franchisee.

2. **Injunctive Relief.** Home Office has the right, without the posting of any bond or security, to apply for specific enforcement of the terms of this Agreement, by petitions for temporary and permanent injunctions or other similar equitable relief. Specifically, Home Office has the right to obtain such relief to prevent Franchisee from engaging in any act that would cause irreparable harm to Home Office. Franchisee acknowledges and agrees that the following acts would cause irreparable harm to Home Office:

(a) Abusing or violating any of the rights licensed by this Agreement;

(b) Engaging in competitive operations in violation of the in-term and/or post–term covenants set forth in Section 2 of Article VIII;

(c) Disclosing to another person or using in a Competitive Business, Home Office's trade secrets or Confidential Information;

(d) Transferring or assigning this Agreement without complying with the terms of this Agreement;

(e) Engaging in acts or practices in violation of applicable laws and regulations or which are fraudulent, dishonest or create health or other hazards to the public;

(f) Significantly impairing the goodwill associated with Home Office's Marks or System; or

(g) Continuing to operate the Unit or other business using any of the Marks or System after this Agreement has terminated or expired.

Home Office's rights to apply for injunctive relief are in addition to all other remedies available to Home Office under applicable law.

ARTICLE XI
OTHER PROVISIONS

1. **Home Office's Right to Exercise its Judgment.** Home Office has the right to operate, develop, and change the System in any manner that is not specifically prohibited by this Agreement. Whenever Home Office has reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant Franchisee a right to take or omit an action, Home Office may, except as otherwise specifically provided in this Agreement, make its decision or exercise its rights based on information readily available to it. Franchisee acknowledges that Home Office may make its decision of what is in its and/or the System's best interests without regard to whether Home Office could have made other reasonable or even arguably preferable alternative decisions.

2. **Modification of Franchise System; Uniformity.** Because complete and detailed uniformity under many varying conditions is not generally possible or practical, Franchisee acknowledges that Home Office specifically reserves the right, in its sole discretion, to vary the Systems standards for any franchisee based upon the peculiarities of any condition or factors that Home Office considers important to that franchisee's successful operation. Franchisee has no right to require Home Office to grant it a similar variation or accommodation. Franchisee acknowledges that some present franchisees of Home Office may operate under different forms of franchise agreements and, consequently, that Home Office's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

3. **Waiver of Obligations.** No delay or omission to exercise a right, power or remedy accruing to one party on any breach or default will impair any such right, power or remedy of such party, and it will not be construed to be a waiver of any breach or default, or an acquiescence therein, or in any similar breach or default thereafter occurring, nor will any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver. Home Office's waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement or of any provision or condition of this Agreement must be in writing and will be effective only to the extent specifically allowed by that writing.

4. **Force Majeure.** Neither Home Office nor Franchisee will be liable for loss or damage to the other or be in breach of this Agreement if Home Office's or Franchisee's failure to perform their respective obligations results from: (a) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (b) acts of God; (c) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (d) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of royalties, advertising fees or other amounts due Home Office.

5. **Cumulative Remedies.** All remedies under this Agreement or otherwise provided by law or equity will be cumulative and not alternative.

6. **Costs and Attorney's Fees.** If Home Office incurs costs and expenses due to Franchisee's failure to pay when due amounts owed to Home Office, to submit when due any reports, information, or supporting records, or to otherwise comply with this Agreement, Franchisee agrees, whether or not Home Office initiates a formal legal proceeding, to reimburse Home Office for all of Home Office's costs and expenses incurred, including, without limitation, reasonable accounting and attorney's fees and related fees.

7. **Notices.** Any notice or demand given or made pursuant to the terms of this Agreement must be personally served or sent by registered or certified mail to the address designated below or such other address as may be designated by notice pursuant to this Section:

If to Home Office: Mary Ellen Sheets, Chairperson
Melanie Bergeron, CEO
TWO MEN AND A TRUCK®/INTERNATIONAL, Inc.
3400 Belle Chase Way
Lansing, MI 48911-4251

If to Franchisee:

Any notice sent by mail pursuant to this Section is effective upon mailing.

8. **Public Offerings.** Despite any other provisions in this Agreement, Franchisee and its principals may not, without Home Office's prior written consent, which Home Office may grant or withhold for any or no reason, attempt to raise or secure funds by selling or offering to sell any ownership interest in Franchisee (including, without limitation, common or preferred stock, bonds, debentures, membership interests, or general or limited partnership interests) in a public offering for which a registration statement must be filed with the Securities Exchange Commission or with any similar state regulatory authority having jurisdiction over the sale of securities where registration is required as a condition of the sale of securities in that state.

9. **Franchisee.** The term "Franchisee" includes all persons who succeed to the interest of the original Franchisee by transfer or operation of law and will be deemed to include not only the individual or entity defined as "Franchisee" in the introductory paragraph of this Agreement, but shall also include all partners, shareholders, officers, directors or owners of the entity that sign this Agreement as Franchisee, if the Franchisee is other than an individual. Each such person acknowledges and accepts the duties and obligations imposed by the terms of this Agreement upon him/her/it individually. If the Franchisee is two or more persons, the covenants on the part of the Franchisee will be joint and severable covenants of those persons.

10. **Affiliate.** The term "affiliate" or "affiliate(s)" includes, but is not limited to, all persons who are related to the Franchisee, including but not limited to Franchisee's spouse, principals, owners, officers, directors, shareholders, members of limited liability companies, partners, employees, guarantors, parent companies, sister companies and subsidiaries.

11. **Time is of the Essence.** Time is of the essence as to all of the provisions of this Agreement, including but not limited to the payment of monies and the opening of the Franchisee's Unit.

12. **Entire Agreement; Modifications to Agreement.** This Agreement and all exhibits and other documents attached to this Agreement are incorporated in this Agreement by reference, and constitute the full and entire agreement between the parties. This Agreement supersedes all previous representations, agreements or understandings between the parties and such previous representations, agreements and/or understandings, if any, are merged into this Agreement and superseded by this Agreement. No officer or employee or agent of Home Office has any authority to make any representation or promise not contained in this Agreement or related agreements, or in any Offering Circular for prospective franchisees required by applicable law, and Franchisee agrees that it has executed this Agreement without reliance upon any such representation or promise. This Agreement cannot be amended or modified other than by an agreement in writing executed by both parties, except as otherwise specifically provided for in this Agreement.

13. **Severability and Substitution of Valid Provisions.** Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

14. **Binding Effect.** This Agreement is binding upon Home Office and Franchisee and their respective executors, administrators, heirs, beneficiaries, permitted assigns and successors in interest.

15. **Section Headings; Pronouns and Plurals.** Article or Section headings are for reference purposes only and do not in any way modify or limit the statements contained in any Article or Section. All words in this Agreement are deemed to include any number or gender as the context or sense of this Agreement requires.

16. **Risk of Operation; Representations.** Franchisee recognizes the uncertainties inherent in all business ventures. Franchisee agrees and acknowledges that, except as specifically set forth in this Agreement and in Home Office's Offering Circular, no representations or warranties, express or implied, have been made to Franchisee, either by Home Office or anyone acting on its behalf or purporting to represent it, including but not limited to representations or warranties as to the prospects for successful operations, the level of business, profits, costs or expenses that Franchisee might reasonably expect, the desirability, profitability or expected traffic volume or profit, costs or expenses of the Unit franchised by this Agreement. Franchisee acknowledges that all such factors are necessarily dependent upon variables beyond Home Office's control including, without limitation, the ability, motivation and amount and quality of effort expended by Franchisee. Franchisee further acknowledges that neither Home Office's sales personnel nor any employee, officer or director of Home Office is authorized to make any claims or statements as to the earnings,

sales, profits, costs, expenses or prospects or chances of success that any franchisee can expect or that present or past franchisees have had, except as may be set forth in the Home Office's Offering Circular. Franchisee agrees that it has not relied on and that Home Office will not be bound by allegations of any representations as to earnings, sales, profits, costs, expenses, prospects or chances of success.

17. **Franchisee's Investigation**. Franchisee acknowledges that it has conducted an independent investigation of the business licensed by this Agreement and that it has had an adequate opportunity to be advised by advisors of its own choosing regarding all pertinent aspects of this Agreement and the franchise relation created by it.

18. **Home Office's Reliance**. Franchisee recognizes that Home Office has entered into this Agreement in reliance upon and in recognition of the fact that Franchisee will have full responsibility for the management and operation of the business licensed by this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the ____ day of___________, 20__.

In the presence of: **TWO MEN AND A TRUCK®/INTERNATIONAL, Inc.**

____________________ By:______________________________

Melanie L. Bergeron, CEO

In the presence of: *Franchisee Name*

____________________ By:______________________________

Name, Title

ACKNOWLEDGEMENT OF 5-DAY NOTICE OF RECEIPT OF DOCUMENTS TO BE EXECUTED

The undersigned, personally and/or as an officer managing member, or partner of the proposed Franchisee, hereby acknowledges receipt of the following documents, in form for signing, relating to a **TWO MEN AND A TRUCK®/INTERNATIONAL, Inc.** franchise:

(a) Franchise Agreement
(b) Exhibit 1, Specifics
(c) Exhibit 2, Guarantee
(d) Exhibit 3, Telephone Number, Internet Domain Name and E-Mail Address Assignment
(e) Exhibit 4, Software License Addendum
(f) Exhibit 5, Intranet User Agreement
(g) Exhibit 6, Truckie Addendum (if applicable)

I further acknowledge my understanding that it is my responsibility, individually and/or as an officer, managing member, or partner of the proposed Franchisee, to review all of these documents so that I am fully familiar with the transaction they contemplate before I sign them.

DATED:

A FEDERAL TRADE COMMISSION RULE REQUIRES THAT WE PROVIDE YOU WITH THE FRANCHISE-RELATED DOCUMENTS NOTED ABOVE AT LEAST FIVE (5) BUSINESS DAYS PRIOR TO THE DATE THEY ARE TO BE EXECUTED. PLEASE DO NOT SIGN OR RETURN THESE DOCUMENTS UNTIL FIVE (5) BUSINESS DAYS HAVE ELAPSED FROM THE DATE OF THIS RECEIPT.

____
(signed, individually or as an officer; indicate whether signing individually, or, if not your capacity, and print your name under your signature.)

____
(signed, individually or as an officer; indicate whether signing individually, or, if not your capacity, and print your name under your signature.)

____
(signed, individually or as an officer; indicate whether signing individually, or, if not your capacity, and print your name under your signature.)