

**ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE
RESOLUTION**

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section In the Franchise Agreement	Summary
a. Term of the franchise	Section 2.4	The initial term is 20 years after the opening of the Franchised Business.
b. Renewal or extension of the term	Section 2.4	4 additional 5 year successive terms, subject to (c) below. If you fail to meet any one of these conditions, we may refuse to renew or extend the terms of your franchise rights.
c. Requirements for you to renew or extend	Section 2.4	You may renew the Franchise Agreement if you: have substantially complied with the provisions of the Franchise Agreement; sign our then-current form of Franchise Agreement (which may contain terms and conditions that are materially different than the original contract); have the right to maintain possession of the Location or an approved substitute location for the term of the renewal; upgrade the equipment of the Franchised Business to conform to the then current standards and specifications of new USA Mobile Drug Testing Businesses; have satisfied all monetary obligations owed to us; are not in default of any provision of the Franchise Agreement or any other agreement between you and us; have given timely written notice of your intent to renew; comply with current qualifications and training requirements; and sign a general release in a form the same as or similar to the General Release attached to the Franchise Agreement.
d. Termination by you	Not applicable	Not applicable
e. Termination by us without cause	Not applicable	Not applicable
f. Termination by us with cause	Section 12.2	We may terminate the Franchise Agreement only if you default.

Provision	Section In the Franchise Agreement	Summary
g. "Cause" defined- defaults that can be cured	Section 12.2	Failure to make payments due to us (7 days to cure) and failure to comply with any other requirement of the Franchise Agreement or Operations Manual (30 days to cure), unless Section 12.2 identifies that the default is not non-curable (see paragraph h. below for summary).
h. "Cause" defined; defaults that cannot be cured	Section 12.2	We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to complete all pre-operation requirements and begin operating the Franchised Business within 90 days; fail to satisfactorily complete training; made a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or engage in other conduct likely to affect the reputation of either party or the System; use the Operations Manual, Trade Secrets or other Confidential Information in an unauthorized manner; abandon the Franchised Business for 5 or more consecutive business days; surrender or transfer of control of the Franchised Business in an unauthorized manner; fail to maintain the Franchised Business under the supervision of a Designated Manager if you die or become disabled; are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; misuse or make unauthorized use of the Marks; fail on 3 or more occasions within any 12 months to submit reports or records or to pay any fees due us; violate any health, safety or other laws or do not correct it within 24 hours; and certain other defaults listed in Section 12.2.
i. Your obligations on termination/ nonrenewal	Sections 12.3 - 12.5; Article XIII	Stop operating the Franchised Business; stop using any Trade Secrets, other Confidential Information, the System and the Marks; if requested, assign your interest in the Location to us; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the Franchise Agreement; return the Operations Manual, Trade Secrets and all other Confidential Information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete in Article XIII and any other surviving provisions of the Franchise Agreement.

Provision	Section In the Franchise Agreement	Summary
j. Assignment of contract by us	Section 11.1	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by you-definition	Section 11.2	"Transfer" includes transfer of an interest in the franchise, the Franchise Agreement, the Location, the Franchised Business's assets or the franchisee entity.
l. Our approval of transfer by you	Sections 11.2 – 11.4	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for our approval of transfer	Sections 11.2 - 11.4	We will not unreasonably withhold our consent to a transfer. We may require the following; all obligations owed to us are paid; you and the transferee have signed a general release in a form satisfactory to us; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee of \$6,500 per territory; equipment be upgraded to our then-current requirements for new franchised businesses; the transferee or the owners of transferee sign a guarantee and agree to be personally bound as owners by all provisions of the Franchise Agreement; you or all of your equity owners have signed a non-competition agreement in a form the same as or similar to the Nondisclosure and Non-Competition attached to the Franchise Agreement; and the transferee has agreed that its Principal Operator and Designated Manager(s) will complete all training programs we require before assuming management of the Franchised Business.
n. Our right of first refusal to acquire your Franchised Business	Sections 11.3, 11.4	We may match an offer for your Franchised Business or an ownership interest you propose to sell.

Provision	Section In the Franchise Agreement	Summary
o. Our option to purchase your Franchised Business	Not applicable	We do not have the right to purchase your Franchised Business. But, as noted in (n) above, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the Franchised Business for fair market value.
p. Death or disability	Sections 11.6 – 11.9, 12.2(i)	Following a death or the incapacity of an owner of the franchise, their representative must transfer, subject to the terms of the Franchise Agreement, their interest in the Franchised Business within six months of death or incapacity or we may terminate the Franchise Agreement. Additionally, we have the right (but are not required) to operate the Franchised Business as a manager for up to 6 months after such death or incapacity.
q. Non-competition covenants during the term of the franchise	Article XIII and Section 13.2	You, your owners (and members of their families and households) and your officers, directors, executives managers, professional staff and employees are prohibited from: attempting to divert any business or customer of the Franchised Business to a Competitive Business or causing injury or prejudice to the Marks or the System; owning or working for a Competitive Business.
r. Non-competition covenants after the franchise is terminated or expires	Article XIII	For 2 years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives managers or professional staff are prohibited from: owning or working for a Competitive Business at the Location, operating within 25 miles of the Location or within 25 miles of any other USA Mobile Drug Testing Business; or soliciting or influencing any of our customers, employees or business associates to compete with us or terminate their relationship with us.
s. Modification of the agreement	Section 15.21	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Operations Manual without your consent if the modification does not materially alter your fundamental rights.

Provision	Section In the Franchise Agreement	Summary
t. Integration /merger clause	Section 15.21	Only the terms of the Franchise Agreement are binding (subject to state law). Any representation or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable. However, nothing in this provision is intended to disclaim any representations we make in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 15.14	<p>Before bringing an action in court, the parties must first submit the dispute to non-binding mediation (except that either party can go to court to seek injunctive relief).*</p> <p>In addition, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of a right to jury trial, and waiver of punitive or exemplary damages (see Sections 15.16, 15.17 and 15.18). Some of these provisions may be overridden by state law (please see Exhibits G and H to this disclosure document). You should carefully review all of these provisions, and all of the contracts as well as this disclosure document, with a lawyer.</p>
v. Choice of forum	Section 15.13	Subject to state law, you must do so in the state in which we are headquartered at that time (we are currently in Hillsborough County, Florida)*.
w. Choice of law	Section 15.12	Subject to state law, Florida* law applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.).

***Note**

If a state law requires any modification to these provisions of the Franchise Agreement (or other provisions described in this Item 17) or requires additional terms, those modifications will be found in the state-specific disclosure addenda and agreement amendments appended to this Franchise Disclosure Document at Exhibits H-1 and H-2. **You should refer to any state-specific addenda attached to this Franchise Disclosure Document for exceptions to this Item 17.**

ITEM 18. PUBLIC FIGURES

We do not presently use any public figures to promote our franchise.