



**FRANCHISE DISCLOSURE  
DOCUMENT**

**2026-2027**

# FRANCHISE DISCLOSURE DOCUMENT



## 1-800-JUNKPRO, LLC

A Delaware limited liability company  
1100 E. 45<sup>th</sup> Street North  
Park City, Kansas 67219  
316-688-5865  
franchise@junkpro.com  
www.1-800-JUNKPRO.com

We are offering franchises for the operation of businesses operating under the “1-800-JUNKPRO®” name which will provide dumpster rental services and/or full-service junk removal and related services for residential and commercial customers.

The total investment necessary to begin operation of a 1-800-JUNKPRO franchise is \$391,000 to \$543,500. This total includes \$35,000 to \$98,000 that must be paid to the franchisor and/or its affiliate. This range reflects the estimated cost to establish a single Authorized Service Area operating between one (1) and ten (10) Territories, offering dumpster rental services, with optional junk removal and labor services that you may choose to add.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mike Davis at 1100 E. 45th Street North, Park City, Kansas 67219 and (316) 688-5865.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “*A Consumer’s Guide to Buying a Franchise*,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 30, 2026

## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

| QUESTION                                                                      | WHERE TO FIND INFORMATION                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>How much will I earn?</b>                                                  | Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 and Exhibits D and E. |
| <b>How much will I need to invest?</b>                                        | Items 5 and 6 list fees you will be paying to the franchisor and at the franchisor's direction; Item 7 lists the initial investment to open, and Item 8 describes the suppliers you must use.                                                                     |
| <b>Does the franchisor have the financial ability to support my business?</b> | Item 21 and Exhibit G include financial statements. Review these statements carefully.                                                                                                                                                                            |
| <b>Is the franchise system stable and growing or shrinking?</b>               | Item 20 summarizes the 3-year history of the number of company-owned and franchised outlets.                                                                                                                                                                      |
| <b>Will my business be the only 1-800-JUNKPRO business in my market?</b>      | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.                                                                                                                     |
| <b>Does the franchisor have a troubled legal history?</b>                     | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings                                                                                                                               |
| <b>What's it like to be a 1-800-JUNKPRO franchisee?</b>                       | Item 20 and Exhibits D and E list current and former franchisees. You can contact them to ask about their experiences.                                                                                                                                            |
| <b>What else should I know?</b>                                               | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.                                                           |

## What You Need To Know About Franchising *Generally*

1. **Continuing Responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.
2. **Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchised business or may harm your franchised business.
3. **Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.
4. **Operating restrictions.** The franchise agreement may prohibit you from operating a similar business both during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market and your hours of operation.
5. **Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.
6. **Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.
7. **When your franchise ends.** Your franchise agreement may not permit you to renew. Even if it does, most franchise agreements do not allow you to renew on the same terms and conditions. You may have to sign a new agreement with different terms and conditions in order to continue to operate your franchised business.

### Some States Require Registration

Your state may have a franchise law that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in Kansas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Kansas than in your own state.
2. **Turnover Rate.** In the last year, a high percentage of franchised outlets were terminated. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Mandatory Minimum Payments.** You must make payments due to Franchisor, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

## TABLE OF CONTENTS

| Item                                                                                     | Page |
|------------------------------------------------------------------------------------------|------|
| ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES .....                | 1    |
| ITEM 2 BUSINESS EXPERIENCE.....                                                          | 3    |
| ITEM 3 LITIGATION.....                                                                   | 4    |
| ITEM 4 BANKRUPTCY .....                                                                  | 4    |
| ITEM 5 INITIAL FEES .....                                                                | 4    |
| ITEM 6 OTHER FEES.....                                                                   | 6    |
| ITEM 7 ESTIMATED INITIAL INVESTMENT .....                                                | 15   |
| ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....                            | 29   |
| ITEM 9 FRANCHISEE'S OBLIGATIONS .....                                                    | 32   |
| ITEM 10 FINANCING.....                                                                   | 33   |
| ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....         | 33   |
| ITEM 12 TERRITORY.....                                                                   | 42   |
| ITEM 13 TRADEMARKS.....                                                                  | 46   |
| ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION .....                            | 47   |
| ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS..... | 48   |
| ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....                               | 48   |
| ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION .....                      | 49   |
| ITEM 18 PUBLIC FIGURES.....                                                              | 54   |
| ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS.....                                       | 54   |
| ITEM 20 OUTLETS AND FRANCHISEE INFORMATION .....                                         | 61   |
| ITEM 21 FINANCIAL STATEMENTS .....                                                       | 64   |
| ITEM 22 CONTRACTS .....                                                                  | 64   |
| ITEM 23 RECEIPTS.....                                                                    | 65   |

### EXHIBITS:

- A – State Administrators/Agents for Service of Process
- B – State Addenda to FDD
- C – Franchise Agreement with Exhibits and State Addenda

D – List of Franchisees  
E – List of Franchisees Who Have Left the System  
F – Table of Contents of Operations Manual  
G – Financial Statements  
H – Deposit Agreement  
I – Franchisee Disclosure Acknowledgment Statement

**ITEM 1**  
**THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

**The Franchisor**

1-800-JUNKPRO, LLC (“we”, “our” or “us”) is a Delaware limited liability company that was formed on March 27, 2012 and has its principal place of business at 1100 E. 45th Street North, Park City, Kansas 67219. We do business under our entity name and under the trade name “1-800-JUNKPRO.” We will refer to the person who buys this franchise as “you” or “your” throughout this Disclosure Document. If the franchise purchaser is a business entity, “you” or “your” also includes each partner, shareholder and/or other owner of that entity.

We are offering franchises for the operation of businesses operating under the “1-800-JUNKPRO” name which will provide dumpster rental services and/or full-service junk removal and related services for residential and commercial customers (“Business” or “Franchised Business”). “Dumpster rental” means that you deliver a dumpster to the customer; the customer fills the dumpster; you pick up the dumpster and dispose of the contents. “Full-service junk removal” means that you remove junk from anywhere on the customer’s property; the customer does not need to place all unwanted items in one spot for pick up. The “junk” you remove is generally anything that the customer’s municipal waste removal company does not pick up, such as furniture, appliances, construction or remodeling debris, yard waste, moving remnants and bulky items. Franchisees also assist customers with minor demolition, such as may be necessary to remove larger items (such as a hot tub or shed), or jackhammering a concrete slab for removal. A 1-800-JUNKPRO business does not handle the hauling of any liquids, gases, flammable waste or hazardous waste.

We presently do not operate a business of the type being franchised, but our affiliate, described below, does. We have never offered franchises in any other line of business. We began offering franchises (our only business activity) in October 2012. Our agents for service of process are listed in Exhibit A.

**Our Parents, Predecessors and Affiliates**

We have no predecessor or parent.

We have an affiliate - Better Hauling Company - a Kansas corporation headquartered at our address and which does business under the trade name “1-800-JUNKPRO” (“BHC”). BHC has been operating a business similar to the one being franchised in this Disclosure Document since December 1999, and has been using the “1-800-JUNKPRO” trade name since October 2010. BHC has never offered franchises in this or any other line of business and does not provide products or services to our franchisees.

We have another affiliate – United Disposal Solutions, LLC - a Delaware limited liability company headquartered at our address (“UDS”). UDS has been operating since 2024. UDS has never offered franchises in this or any other line of business. UDS facilitates waste removal services with a strong emphasis on recycling. If UDS secures a waste removal job in your Authorized Service Area, it will be offered to you, provided your franchise offers that specific service at that time.



## The System

Our system includes: a method of providing dumpster rental and full-service junk removal services for residential and commercial customers; distinct color scheme and custom lettered vehicles; materials and supplies; methods, specifications and procedures for operations; procedures for management control; training and assistance; and merchandising, advertising and promotional programs, and customer service procedures, all of which may be changed, improved and further developed (the “System”).

Customers may book appointments online through our website or by phone. Both the national 1-800-JUNKPRO phone number and your assigned local business number route through our centralized phone system. Calls to the 1-800 number are generally routed to the appropriate Franchisee based on the customer’s ZIP code or another routing method we determine appropriate. Calls to your designated local number will route directly to you. Once a call is routed to you, you are responsible for all customer-facing activities, including scheduling appointments, maintaining your customer database, completing customer service interactions, and conducting follow-up calls. You are also responsible for generating your own customers through your local marketing, sales efforts, and business development activities.

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including the mark “1-800-JUNKPRO®”, as are now designated and may in the future be designated by us in writing for use with the System (the “Proprietary Marks”). The Proprietary Marks are owned by our principals, Mike and Misty Davis, as described in Item 13.

## The Franchise Offered

We offer you a franchise agreement (the “Franchise Agreement”) granting you the right to establish and operate a 1-800-JUNKPRO Business within a mutually agreed-upon geographic area. We will grant you the right to operate your Franchised Business in one or more “Territories”. Each Territory consists of a population of approximately 100,000 people. Up to ten (10) Territories can be operated by one Franchised Business. We refer to the Territories granted to you as your “Authorized Service Area”). The Franchise Agreement authorizes you to use our Proprietary Marks and System solely in connection with the operation of your Franchised Business. If we award you a franchise, you must sign our then-current form of Franchise Agreement, attached to this Disclosure Document as **Exhibit C**. You may operate your Franchised Business from your home, provided local laws allow it and the space meets our standards for professional operation, recordkeeping, equipment storage, and customer communications. You must also secure adequate parking and storage space for your Service Vehicles and Dumpsters within or near your Authorized Service Area. Our current minimum fleet requirements are 1 Dumpster Truck and 30 Dumpsters.

## Market and Competition

You will offer your services to residential and commercial customers. In general, the junk removal and dumpster rental business is competitive, but quite fragmented. Your competition will come primarily from other junk removal and dumpster rental businesses, some of which may be franchise systems, and you may also experience competition from waste removal companies. In some markets, these businesses are locally based and other markets may include regional or national chains as competitors.

Our business experiences some seasonality. Generally, the warmer months of spring, summer, and fall are busier than winter months. However, if your Authorized Service Area is located in an area with warm temperatures year-round, you may not experience this seasonality.

### **Industry Specific Laws**

Hauling companies are regulated by federal and state law. Most states have transportation agencies that oversee the state's laws. The US Department of Transportation's Federal Motor Carrier Safety Administration administers federal laws relating to this industry. There may also be restrictions on licensing related to your drivers and your trucks, and you may have to obtain special permits related to junk hauling and dumping.

We urge you to make inquiries about laws that may be applicable to your Franchised Business. Because our industry is regulated, you must be aware of all regulations and keep apprised of changes that may have an impact on the Franchised Business. You must comply with all local, state, and federal laws that apply to your Franchised Business and those laws can vary significantly from one state to the next. We have not determined the licensing requirements in your proposed Authorized Service Area, or whether it is possible to obtain necessary licenses. You must determine the licensing requirements in your proposed Authorized Service Area before you sign the Franchise Agreement. Your business also may be limited by exclusive governmental licenses claimed by other garbage or waste collection companies, or by restrictions claimed on your right to access local transfer sites or landfills. You may want to obtain a complete copy of your state's and other applicable statutes and regulations and discuss them with your attorney.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Founder & CEO: Mike Davis**

Mr. Davis is our founder & Chief Executive Officer since our inception in March 2012, and he has held a similar position with BHC since its inception in December 1999. Mr. Davis has also been a Member of our affiliate, Asset Leasing Company ("ALC"), since its inception in May 2022. He is also the president of BHC since its inception in December 1999, and a member of UDS since its inception in September 2024. He maintains his office in Park City, Kansas.

### **Co-Founder & Chief Brand Officer: Misty Davis**

Ms. Davis is our co-founder and Chief Brand Officer since our inception in March 2012. She was also our Chief Financial Officer from our inception until October 2025. She additionally held a similar leadership role with BHC since its inception in December 1999 and has been a Member of ALC since its formation in May 2022. She is also the secretary of BHC since its inception in December 1999, and a member of UDS since its inception in September 2024. Ms. Davis maintains her office in Park City, Kansas.

### **Director of Technology & Business Development: Brittany Scheer**

Ms. Scheer has been our Director of Technology & Business Development since October 2025. Before that, she worked for our company as our Chief Experience Officer from March 2019 until October 2025. She has also been the Director of Technology & Business Development of UDS since September 2024. She maintains her office in Park City, Kansas.

## **Director of Field Services: Shawn Govern**

Mr. Govern has been our Director of Field Services since October 2025. Before that, he worked for our company as our VP of Integrated Operations & Research Development from January 2024 until October 2025, and has worked for our company since our inception in March 2012. He has also been the Director of Field Services of UDS since September 2024. He maintains his office in Park City, Kansas.

### **ITEM 3 LITIGATION**

No litigation is required to be disclosed in this Item.

### **ITEM 4 BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

### **ITEM 5 INITIAL FEES**

All fees and amounts paid to us or our affiliates for goods or services before opening your franchise are considered “initial fees.” The initial fees you must pay or commit to pay are described below.

**Initial Franchise Fee:** When you sign the Franchise Agreement, you must pay us an initial franchise fee of \$25,000 for your first Territory. Each additional territory (“Additional Territory”) you acquire at the time you sign the Franchise Agreement requires an additional \$7,000 initial franchise fee, payable in a lump sum at signing. All initial franchise fees are non-refundable under any circumstances.

Each Territory generally consists of a population of approximately 100,000 people. A single Authorized Service Area can typically support up to 10 Territories, and one truck can generally serve up to two Territories, although we may approve additional Territories under one Authorized Service Area or adjust operational expectations based on market conditions and your operational capacity.

If you choose to acquire more than 10 Territories, you will be required to establish an additional Authorized Service Area under a separate franchise agreement, unless alternate permission is granted by the Franchisor. In that event, the full initial franchise fee will apply for the new Authorized Service Area, regardless of the number of Territories assigned to it (\$25,000 for the first Territory and \$7,000 for each Additional Territory).

If you do not obtain the rights to an additional contiguous Territory at the same time you sign the Franchise Agreement, you can still apply for the rights to add additional contiguous Territories at our then-current Additional Territory fee (currently \$7,000 per Territory) provided that:

- the Territory is available;

- you are in full compliance with your Franchise Agreement and all other agreements with us;
- you meet our then-current qualification criteria; and
- you have the financial and operational ability to purchase or lease any additional truck(s) and dumpsters, or equipment required to service the additional Territory.

All approved Territories covered under your Authorized Service Area will be listed in Exhibit A of your Franchise Agreement, which will be amended if additional Territories are added during the term of your Agreement.

We will not reserve Territories for future addition to your Franchise Agreement, and we cannot guarantee that a Territory you wish to add after your Franchised Business begins operations will remain available later. We strongly discourage (and do not allow) franchisees to add Territories for the purpose of “land-grabbing.”

If you are a qualified veteran of the U.S. Armed Forces (or the spouse of an active duty service member), we will discount the initial franchise fee for your first Territory by \$5,000. To qualify for this discount, the veteran(s) must own at least a 50% interest in the franchise. “Veteran” means a recipient of an honorable discharge as evidenced by the U.S. Department of Defense. This discount will not be applied if you are receiving this disclosure document in connection with purchasing an existing franchised business, renewing your franchise rights, or if you are not purchasing your first franchise. It is the veteran’s responsibility to give us the required documents to obtain the discount. If you qualify for any other discount, the greater discount will be granted, and discounts cannot be combined.

**Initial Marketing Material Kit.** Before opening, you must pay us \$10,000 for the Initial Marketing Material Kit, which includes a wide range of marketing collateral to be used for marketing the business locally. This amount is paid to us when you sign the Franchise Agreement and is not refundable. The timing, type, and amount of marketing material included in the Initial Marketing Material Kit will be in our discretion.

**Deposit Agreement:** If you wish to reserve an Authorized Service Area while you are deciding whether to franchise a 1-800-JUNKPRO Business, or while you are obtaining financing before signing a Franchise Agreement, you may enter into a Deposit Agreement with us. You must pay a non-refundable deposit of \$9,500 under the Deposit Agreement. In exchange for the deposit we agree not to open or allow any third party to open a 1-800-JUNKPRO Business in an Authorized Service Area defined in the agreement. If you sign a Franchise Agreement for an Authorized Service Area the deposit will be applied against the initial franchise fee.

**Initial Training:** The cost of our initial training program is included in your initial franchise fee and will be provided to you and one additional person.

There are no other payments to, or purchases from, us or any affiliate that you must make before your Franchised Business opens.

[Remainder of this page intentionally left blank]

**ITEM 6  
OTHER FEES**

| Column 1<br>Type of Fee (1)           | Column 2<br>Amount (1)                                                                                                                                                              | Column 3<br>Date Due                                                                                       | Column 4<br>Remarks                                                                                                                                                                                                                                                                        |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| System Access Fee<br>(Note 2)         | \$1,000/month for the first Territory; \$350/month per additional Territory (up to 10 Territories per Authorized Service Area; will increase by 3% annually).                       | Payable on the 15th of each month (or the next business day if the 15 <sup>th</sup> is not a business day) | Provides access to Brand systems; non-refundable; payable to franchisor.                                                                                                                                                                                                                   |
| JunkConnect/<br>FSM Extra License Fee | Our then-current fee per additional license<br><br>Current fee per additional desktop license is \$145 per month<br><br>Current fee per additional mobile license is \$45 per month | 15th of each month (or the next business day if the 15 <sup>th</sup> is not a business day)                | Payable if you want more than the 1 desktop license and 1 mobile application license per Authorized Service Area that you currently receive without charge                                                                                                                                 |
| Additional Email Account              | Our then-current franchise fee. Currently, \$10/month per additional email address you require (1-year minimum); first email address included                                       | 15th of each month (or the next business day if the 15 <sup>th</sup> is not a business day)                | Payable for any additional email address above the 1 email address we currently include per Authorized Service Area. For brand consistency, we will assign or designate all email accounts used in the operation of your franchised business. We may control the use of all email accounts |
| Additional Training Platform Seat Fee | \$9 per month per seat (after 2 included seats)                                                                                                                                     | 15th of each month (or the next business day if the 15 <sup>th</sup> is not a business day)                | If you want more than the 2 Training Platform Seats that are provided free of charge, you must pay this fee.                                                                                                                                                                               |

| Column 1<br>Type of Fee (1)                        | Column 2<br>Amount (1)                                                                                                                                                               | Column 3<br>Date Due                       | Column 4<br>Remarks                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Additional Territory Fee                           | Our then-current fee per additional Territory<br><br>Current fee per additional Territory: \$7,000 per additional Territory (up to 10 Territories total per Authorized Service Area) | Upon agreement to add Additional Territory | Payable if, after you have entered into the Franchise Agreement, you and we agree to add an additional Territory to your Authorized Service Area                                                                                                                                                                 |
| Initial Training and Additional Personnel Training | Our then-current training fee per person, plus expenses<br><br>Current training fee = \$100 per day                                                                                  | Within 30 days after we invoice you        | We provide our initial training program to you and one additional person at no additional charge, but you must pay all of your travel and living expenses while attending training. If you wish to send additional trainees to our training program, you must pay our training fee in addition to their expenses |
| Additional On-Site Assistance or Training          | Our then-current per diem fee per trainer, plus expenses<br><br>Current per diem fee = \$300                                                                                         | Within 30 days after our invoice to you    | Payable if you request that we provide additional training or assistance on-site at your Franchised Business, or if we believe that additional assistance is required. Reimbursable expenses include travel, lodging and meals                                                                                   |
| Refresher Training Programs                        | Out of pocket expenses for each attendee                                                                                                                                             | As incurred                                | We have the option of providing refresher training or other training programs, which can last up to 5 days and can be online or in class, at your Franchised Business, another Franchised Business, or at HQ, as we determine. You must attend all refresher                                                     |

| Column 1<br>Type of Fee (1)               | Column 2<br>Amount (1)                                                         | Column 3<br>Date Due  | Column 4<br>Remarks                                                                                                                                                                                                                                                                  |
|-------------------------------------------|--------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                           |                                                                                |                       | training courses as they are offered. We do not currently charge a fee for these programs                                                                                                                                                                                            |
| Returned EFT / Insufficient Funds Fee     | \$35 per occurrence                                                            | On demand             | Charged when an EFT payment is returned, rejected, or not honored by your bank.                                                                                                                                                                                                      |
| Non-Compliance: Customer Reviews (Note 3) | \$250 to \$750 per month                                                       | On demand             | If your aggregate customer review ratings fall below 4.5 stars out of 5 stars or below a 90% approval rating you must pay to us a non-compliance fee of between \$250 to \$750 per month for each month of non-compliance.                                                           |
| Mystery Shopper Program                   | Currently, \$200 per shop                                                      | On demand             | Though we may conduct mystery shops in your Authorized Service Area at any time, we only charge a fee for the mystery shop if we determine your Franchised Business has received a significant amount of negative feedback or if it's a follow up shop after being out of compliance |
| Interest on Overdue Amounts               | The lower of 1.5% per month and the highest rate permitted by law.             | On demand             | Any amounts not paid when due will be a default of your Franchise Agreement and will accrue interest. Interest will accrue from the original due date until payment is received in full                                                                                              |
| Audit                                     | Reimbursement of the audit costs (estimated to be between \$1,000 and \$5,000) | 15 days after billing | Payable if an audit is required due to your failure to provide required reports or if the audit shows an understatement in any amount reported or                                                                                                                                    |

| Column 1<br>Type of Fee (1)  | Column 2<br>Amount (1)                                                                               | Column 3<br>Date Due      | Column 4<br>Remarks                                                                                                                                                                                                                           |
|------------------------------|------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              | You must also pay any understated amount plus interest                                               |                           | payable to us of 2% or more                                                                                                                                                                                                                   |
| Costs and Attorneys' Fees    | Will vary under circumstances                                                                        | As incurred               | Payable upon your failure to comply with the Franchise Agreement                                                                                                                                                                              |
| Indemnification              | Will vary under circumstances                                                                        | As incurred               | You must reimburse us if we are held liable for claims arising from your Franchised Business' operations                                                                                                                                      |
| Liquidated Damages           | See Note 4                                                                                           | 15 days after termination |                                                                                                                                                                                                                                               |
| Proposed Supplier Evaluation | Our costs to evaluate the proposed supplier                                                          | On demand                 | If you request that we approve a supplier or product, you must reimburse us for our costs in evaluating the supplier or product                                                                                                               |
| Insurance                    | Reimbursement of our costs                                                                           | On demand                 | If you do not obtain the required insurance, we may (but are not required to) obtain insurance on your behalf                                                                                                                                 |
| Management Fee               | Currently, \$500 per day plus expenses                                                               | As incurred               | We have the right to step in and operate your Franchised Business for you in certain circumstances. If we do this, you must pay our management fee and reimburse our expenses                                                                 |
| Annual Franchisee Convention | Currently, \$750 for the Franchised Business's first attendee and \$500 for each additional attendee | As incurred               | Attendance by one owner or executive manager per franchise is mandatory at each Annual Convention, which may be 1-3 days. This fee is intended to reimburse the Franchisor for the cost of holding the convention. You may send more than one |



| Column 1<br>Type of Fee (1)   | Column 2<br>Amount (1) | Column 3<br>Date Due                                                                                                     | Column 4<br>Remarks                                                                                                                      |
|-------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
|                               |                        |                                                                                                                          | person, space permitting. You must pay for transport and lodging for all your attendees                                                  |
| Convention Non-Attendance Fee | \$1,500                | Upon missed attendance or missed registration for the convention, or 90 days before the convention, whichever is earlier | The fee is charged upon failure to register for, or to attend the convention, unless we explicitly approve you not attending             |
| Additional Principal          | \$2,500                | As incurred                                                                                                              | If you request that we modify the Franchise Agreement to include an additional person as either a franchisee or a franchisee's principal |
| Transfer Fee                  | \$10,000               | \$2,500 with request for our consent to the transfer; \$7,500 upon completion of the transfer (if permitted)             | No fee is imposed for a one-time transfer to an entity formed by you for the convenience of franchise ownership                          |
| Renewal                       | \$5,000                | Before renewal of the Franchise Agreement                                                                                |                                                                                                                                          |

1. Unless otherwise noted in the chart or these notes, all fees are uniformly imposed, imposed by and payable to us and are non-refundable.

Some fees that we may charge you are set as a fixed dollar amount. Because of inflation, the scope of services or products provided in exchange for the fee, or other cost increases we may experience in connection with providing the services or products, we have the right to increase fees set as a fixed dollar amount. We can increase those fees by up to 10% annually. The annual increase is cumulative, so if we do not increase a fee in any year, or we do not increase it by the full 10%, then in a subsequent year we may increase the fee not just by the 10% increase permitted in that year, but also with the increase permitted in previous years, which we did not use. For example, if a monthly fee is \$10 currently, and next year we do not change it, then the following year we could increase that fee to \$12.10. For fees that are the avoidance of doubt, any increase permitted by this Section does not impact any fees expressed as a

percentage, but where fees are expressed as a percentage or a fixed dollar amount, the dollar amount that is part of such fee may be adjusted according to this Section.

2. **System Access Fee:** You must pay a monthly System Access Fee of \$1,000 for the first Territory and \$350 per month for each additional Territory. Each Authorized Service Area generally includes a maximum of 10 Territories; however, we may, in our discretion, approve additional Territories within an Authorized Service Area. If we do not grant an exception and you wish to operate more than 10 Territories, you must purchase an additional Authorized Service Area for which you will sign a separate Franchise Agreement. For each new Authorized Service Area, the monthly \$1,000 first-Territory System Access Fee will apply, and the Initial Franchise Fees for that Authorized Service Area will also be due.

The System Access Fee is payable to us by electronic funds transfer (EFT). You must complete and sign any forms required by us, our bank, or your bank to authorize EFT withdrawals. The fee will be drafted on the 15th day of each month, or the next business day if the 15th is not a business day.

The System Access Fee will automatically increase by three percent (3%) annually, beginning on the first of the calendar year (or such other date specified in the Franchise Agreement for commencement of the System Access Fee). Any such increases are cumulative.

3. **Non-Compliance Fee: Customer Reviews** – You must subscribe to and participate in the customer review tracking and reputation management services and providers that we designate. If your customer review or customer satisfaction ratings, as measured across the review platforms that we designate, go below 4.5 stars out of 5 stars and/or a 90% positive satisfaction rating, then you must pay to us a customer review non-compliance fee of \$250 for each and every month of non-compliance. If a condition of non-compliance occurs for more than three months, then we may increase this non-compliance fee to a monthly fee of not more than \$750 per month.

4. If we terminate your Franchise Agreement for cause, you must pay us, within 15 days after the effective date of termination, liquidated damages equal to the average monthly System Access Fee you paid or owed to us during the 12 months of operation preceding the effective date of termination, multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher. Liquidated damages only applies if we terminate your Franchise Agreement due to your willful non-compliance with the terms of and your obligations under the Franchise Agreement, your failure to cure a material default within the timeframe required, and repeated, willful defaults of the Franchise Agreement.

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**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

**For one Authorized Service Area with 1-10 Territories**

| <b>Column 1<br/>Type of<br/>expenditure</b>                 | <b>Column 2<br/>Amount</b>                                                                                                                | <b>Column 3<br/>Method of<br/>payment</b> | <b>Column 4<br/>When due</b>          | <b>Column 5<br/>To whom<br/>payment is to<br/>be made</b> |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------|-----------------------------------------------------------|
| Initial Franchise Fee (Note 1)                              | \$25,000 - \$88,000; \$25,000 for first Territory; \$7,000 per additional Territory (maximum 10 Territories per Authorized Service Area). | Lump sum                                  | When you sign the Franchise Agreement | Us                                                        |
| Initial Marketing Material Kit (Note 2)                     | \$10,000                                                                                                                                  | Lump sum                                  | When you sign the Franchise Agreement | Us                                                        |
| Service Vehicles (Note 3)                                   | \$155,000                                                                                                                                 | As arranged                               | As incurred                           | Approved Suppliers                                        |
| Dumpsters (Note 4)                                          | \$165,000                                                                                                                                 | As arranged                               | As incurred                           | Approved Suppliers                                        |
| Junk Body (Note 5)                                          | \$0 to \$25,000                                                                                                                           | As arranged                               | As incurred                           | Approved Suppliers                                        |
| Transportation – Delivery of Dumpsters & Junk Body (Note 6) | \$0 to \$42,000                                                                                                                           | As arranged                               | As incurred                           | Transportation Company                                    |
| Equipment and Hand Tools (Note 7)                           | \$5,000                                                                                                                                   | Lump sum                                  | As incurred                           | Approved Suppliers                                        |
| Computer, Office Equipment and Supplies (Note 8)            | \$2,000 to \$3,000                                                                                                                        | Lump sum                                  | As incurred                           | Suppliers                                                 |
| Deposits and Business Licenses (Note 9)                     | \$500 to \$2,500                                                                                                                          | As arranged                               | As arranged                           | Government Agencies                                       |

| Column 1<br>Type of<br>expenditure           | Column 2<br>Amount                | Column 3<br>Method of<br>payment | Column 4<br>When due | Column 5<br>To whom<br>payment is to<br>be made    |
|----------------------------------------------|-----------------------------------|----------------------------------|----------------------|----------------------------------------------------|
| Professional Fees<br>(Note 10)               | \$500 to \$2,000                  | As arranged                      | As arranged          | Attorney,<br>Accountant                            |
| Insurance Deposit<br>(Note 11)               | \$1,500 to \$5,000                | As arranged                      | As arranged          | Insurance<br>providers                             |
| Training Expenses<br>(Note 12)               | \$1,500 to \$3,000                | Lump sum                         | As incurred          | Airline, Hotel,<br>Restaurant, etc.                |
| Real Estate and<br>Improvements<br>(Note 13) | \$0 to \$3,000                    | As arranged                      | As arranged          | Landlord,<br>Contractor                            |
| Additional Funds –<br>3 months<br>(Note 14)  | \$25,000 to \$35,000              | As arranged                      | As needed            | Us, suppliers,<br>employees and<br>other creditors |
| <b>TOTAL</b>                                 | <b>\$391,000 to<br/>\$543,500</b> |                                  |                      |                                                    |

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment.

Notes:

**1. Initial Franchise Fees.** These fees are described in detail in Item 5. You must pay an initial franchise fee of \$25,000 for your first Territory. For each additional Territory you acquire at the time you sign the Franchise Agreement, you must pay an additional initial franchise fee of \$7,000 per Territory. These fees are paid in a lump sum when you sign the Franchise Agreement and are non-refundable.

We typically will not allow you to service more than 10 Territories under one Franchise Agreement and Authorized Service Area. If you acquire more than 10 Territories the 11<sup>th</sup> and subsequent Territories will be part of a separate Authorized Service Area and a separate Franchise Agreement. You will pay the full \$25,000 Initial Franchise Fee for the first Territory under that Franchise Agreement and \$7,000 for each subsequent Territory.

In addition to the Initial Franchise Fee, you will pay a System Access Fee as described in Item 6, which covers ongoing access to our brand, technology systems, operational standards, and support.

**2. Initial Marketing Material Kit.** The kit includes a wide range of marketing collateral to be used for marketing the business locally.

**3. Service Vehicles.** You will need to purchase 1 dumpster truck to begin operations. You may choose to finance this purchase and make monthly payments over time. However, the estimate in the table above represents the approximate cost of purchasing the truck outright about the time of the issuance date of this FDD.

All service vehicles must meet our requirements for appearance while they are in service. Shipping and sales tax is not included in the estimate but may apply, depending on your location.

Your service vehicles must be painted and/or wrapped to our specifications, and the cost of this is included in our estimate. Our current service vehicle specifications are included in our Operations Manual and are subject to change. We reserve the right to modify the required vehicles and introduce new vehicle specifications and retrofit requirements. If you wish to purchase a used truck for your Franchised Business, the truck must be approved by us before you may purchase it.

**4. Dumpsters.** You will need to purchase 30 dumpsters to begin operations. You may choose to finance this purchase and make monthly payments over time. However, the estimate in the table above represents the approximate cost of purchasing the dumpsters outright. This estimate is based on dumpster prices about the time of the issuance date of this FDD. Dumpster prices are tied to the price of steel, and dumpster prices can fluctuate significantly as the steel price goes up or down. Shipping and sales tax is not included in the estimate but may apply, depending on your location.

**5. Junk Body.** You will need to purchase at least 1 junk body if you choose to offer junk removal services. You may choose to finance this purchase and make monthly payments over time, however, the estimate in the table above represents the approximate cost of purchasing 1 junk body outright. This estimate is based on pricing available as of the issuance date of this FDD and may vary depending on vendor, customization, materials, and market conditions. Shipping, installation, and sales tax are not included in the estimate but may apply, depending on your location. The low end of the estimate represents choosing not to begin operations with the optional junk removal service; the high end represents the approximate cost of purchasing one junk body outright.

**6. Transportation.** If you choose to have your dumpsters and/or junk body delivered to your location, we use third-party transportation providers that can deliver equipment directly to you. Based on pricing available around the issuance date of this FDD, freight companies generally charge approximately \$3.50 per mile, calculated using the one-way ground miles from the manufacturer's or dealer's location (currently Oklahoma City, Oklahoma for dumpsters and Park City, Kansas for junk bodies, unless we designate another manufacturer or dealer) to your location. The low end estimate assumes that you are picking up the equipment directly from the applicable manufacturer or dealer. The high end estimate reflects delivery to the furthest distance where we currently offer franchises within the contiguous United States. We will work with our transportation brokers to help secure competitive rates; however, transportation costs will vary based on fuel cost mileage and tolls, driver and vehicle availability, weather conditions, and the time of year.

**7. Equipment and Hand Tools.** Our list of required equipment is provided in the Operations Manual. The required equipment and tools include tech equipment (mobile phone and an iPad (per truck)), hand tools, power tools, and safety equipment.

**8. Computer; Office Equipment and Supplies.** You must purchase the computer system (including hardware and software) that we specify. The office equipment and supplies you must purchase include stationery, marketing and advertising material, mobile phone (with good quality camera), credit card processing software and equipment, and basic office supplies.

**9. Deposits and Business Licenses.** The costs estimated above includes an estimate for the required permits and licenses you may be required by your local government to have, as well as estimated deposits for utilities and as may be required by your lease (if you choose to lease property for your Franchised Business).

**10. Professional Fees.** We strongly recommend that you engage an attorney and/or an accountant to assist you in your review of this franchise offering.

**11. Insurance Premiums.** Our estimate represents three months of premiums for the insurance you must have. Our insurance requirements are included in Item 8 below. Depending on your insurance companies' policies, you may have to pay your insurance premiums monthly, quarterly, semi-annually or annually.

**12. Training Expenses.** The figures in the chart are expenses during initial training. You will have travel, lodging and meals expenses. For this training program, we provide instructors and instructional materials, but you will need to arrange for transportation, lodging and food for yourself. The cost will depend on the distance you must travel and the type of accommodations you choose. We provide our training program to you and one additional person at no charge.

**13. Real Estate and Improvements.** If permitted by your local laws, you may operate the Franchised Business from a home office, provided the office meets our requirements. You will need adequate space to store your dumpsters, junk bodies, and trucks, as well as a designated area from which to manage your Franchised Business. You may operate the administrative portion of the Franchised Business from a home office; however, you must maintain appropriate storage space (which may be at your residence or a separate location) that meets all applicable zoning, safety, and operational requirements.

The low end of our estimate assumes that you will operate the Franchised Business from a home office that meets our requirements, resulting in no leasehold improvement expenses. The high end of our estimate assumes that you will lease commercial space and/or incur leasehold improvement costs to prepare the space for your Franchised Business.

If you choose to lease commercial space, we estimate that you will need approximately 400 square feet of office space for your initial Territory. You will also need sufficient outdoor space to park your truck, store your dumpster inventory, and accommodate any additional equipment required for your operations. As your Franchised Business grows and you acquire additional Territories, you may need to lease larger office and storage areas.

Whether operating from a leased location or a home office, your workspace must include adequate room to operate computer and telephone equipment, maintain records, hold meetings, store tools and marketing materials, park vehicles, and store dumpsters and other required equipment.

**14. Additional Funds.** This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first 3 months after

commencing operations. We cannot guarantee that you will not incur additional expenses in starting the business that may exceed this estimate. This estimate also includes such items as initial payroll and payroll taxes, System Access Fees, additional advertising, marketing and/or promotional activities, repairs and maintenance, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, state tax and license fees, deposits and prepaid expenses (if applicable) and other miscellaneous items as offset by the revenue you take into the Franchised Business. This estimate does not include an owner's salary or draw. These items are by no means all-inclusive of the extent of the expense categorization. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your area.

We relied upon our Affiliate's experience in providing full-service junk removal and dumpster rental services when preparing these figures. The Affiliate has provided full-service junk removal services since 1999. However, these figures are merely estimates and there is no assurance that additional working capital will not be necessary during this initial 3 month phase or at any time after the initial 3 months. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

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## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

We have established standards and specifications for the services offered by your Franchised Business. You must operate your Franchised Business according to these standards at all times. These standards will guide you in the performance and delivery of the “1-800-JUNKPRO” services your Franchised Business provides. We formulate our specifications and standards according to industry standards, brand uniformity requirements, and our operational experience.

You must purchase or lease certain items for your Franchised Business from our approved suppliers or according to our specifications. These items include, but are not limited to: trucks, truck bodies, truck signage, dumpsters, uniforms, marketing materials, signage, tools, equipment, computer hardware and software, and telephone systems. In some cases, we will only provide specifications, and you will be responsible for selecting a supplier that meets those specifications.

You are solely responsible for purchasing or financing all required equipment through approved suppliers or other sources that meet our specifications.

Specifications for your service vehicles include standards for gross tonnage, performance, type of cab/chassis, and the type and configuration of truck body. We also have specifications for the type, size, and appearance of dumpsters and junk bodies; the type and appearance of uniforms; computer hardware memory, capacity, speed, operating system and software requirements; telephone system capabilities of your computer system; capabilities of your telephone equipment; and approved marketing and advertising materials. For example, you must obtain the model of truck body specified by us and you must purchase or lease it from one of our approved suppliers.

You must also be able to process Visa, Mastercard, American Express, and Discover credit card payments, use a credit card processor designated by us, and obtain software specified by us. Our list of requirements and specifications, and our list of recommended and required suppliers, will be included in our Operations Manual and we reserve the right to update these requirements, add or remove approved suppliers, or designate ourselves or an affiliate as a required or approved supplier at any time. Any changes to our requirements and specifications or to the list of recommended and approved suppliers will be communicated to you in writing, which may include email, newsletter, and/ or updates to the Operations Manual.

You must obtain office, storage, and parking space sufficient to operate your Franchised Business, including adequate space to operate computer and telephone equipment, maintain records, hold meetings, and store tools, recyclable materials, marketing and advertising materials, vehicles, and your dumpster inventory. You may operate the administrative portion of your Franchised Business from a home office if permitted by local laws and if the home office meets our requirements; however, you must maintain appropriate storage and parking space—whether at your residence or a separate location—that complies with all zoning, safety, and operational standards. As your business grows, you may be required to secure additional or larger office, storage, or parking facilities.

If you wish to purchase an item from a supplier that has not yet been approved by us, you must make a written request to us for approval of the proposed item or supplier. Our criteria for approval, as may be needed, is included in the Operations Manual or may be requested from us directly in writing on a case by case basis. Generally, we apply the following criteria, among



others, in considering whether the supplier will be designated as an approved supplier: (1) ability to produce the products, services, supplies, or equipment to meet both our standards and specifications for quality and uniformity and our franchisees' and customers' expectations; (2) production and delivery capabilities and ability to meet supply commitments; (3) integrity of ownership (to ensure that its association with us will not be inconsistent with our image or damage our goodwill); (4) financial stability; and (5) the negotiation of a mutually satisfactory license to protect our intellectual property. Our intention in approving any item or supplier is to ensure brand consistency throughout the System.

We will advise you within a reasonable time (no more than 30 days) whether the proposed items and/or supplier(s) meet our specifications, and our approval will not be unreasonably withheld. A supplier's failure to correct a deviation from our specifications will result in the termination of status as an approved supplier. We reserve the right to require you to reimburse us for reasonable expenses we incur in approving new items and/or suppliers.

We may negotiate purchase arrangements with some suppliers for the benefit of our franchisees. We currently do not receive any significant rebates from these purchases, but we reserve the right to do so in the future. There is no restriction on our use of any rebate payments that we receive.

For the fiscal year ended December 31, 2025 neither we, nor any of our affiliates derived any revenue from required purchases or leases by franchisees. Neither we nor our affiliates earned revenue from approved suppliers based on their sales of products to our franchisees.

The purchase and lease of items from approved suppliers or that meet our specifications represent approximately 40% to 75% of your total expenses in connection with the establishment of the Franchised Business, and approximately 20% of your total expenses in connection with the ongoing operation of the Franchised Business.

There are currently no purchasing or distribution cooperatives in which you must participate, but we reserve the right to form these cooperatives at any time.

We do not grant you any material benefits, such as the grant of additional franchises or territories or renewal rights, based on your use of the suppliers that we designate.

You may sell junk removal, dumpster rental, and labor services that are approved by us and which strictly conform to our Operations Manual. All products and services approved by us must be offered for sale on a continuous basis at your Franchised Business at the time and in the manner required by us. No sale of any product or service except those products or services approved by us may be solicited, accepted or made at or from your Franchised Business. If requested by us on at least 30 days' notice as part of a general program or standardization effort by us, the marketing of a particular product or service must be discontinued. Then this product or service is no longer an approved product or service.

We may occasionally conduct market research and testing to determine consumer trends and salability of new products, materials and services. You must cooperate by participating in our market research programs, test marketing new products and services and providing timely reports and other relevant information regarding marketing research. In connection with test marketing, you must purchase a reasonable quantity of products to be tested and effectively promote and make a reasonable effort to sell the products, materials and services. We may also require you to sign an agreement with us authorizing the test marketing.

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverages that we periodically require. Our required insurance coverages will be included in the Operations Manual and may change during the term of your Franchise Agreement. We may regulate the types, amounts, terms and conditions of insurance coverages required for your Franchised Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims.

You currently must maintain the following minimum insurance coverages: (1) comprehensive general liability with minimum liability coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate; (2) Workers' Compensation or other employer's liability insurance with minimum limits as follows: \$100,000 per accident, \$100,000 disease per person, and \$500,000 disease policy limit. You must also have any other insurance as may be required by statute or rule in the state(s) in which your Franchised Business is located or operates; and (3) automobile liability coverage, including coverage of owned, non-owned and hired vehicles of \$1,000,000 combined single limit, and these automobile liability amounts must be maintained for each service vehicle.

In addition to the insurance requirements, we recommend, but do not require, that you obtain the following additional insurance: (1) general casualty insurance including fire and extended coverage, vandalism, theft, burglary and malicious mischief insurance for the replacement value of your Franchised Business and its contents; and (2) an umbrella policy.

You must maintain all required policies in force during the entire term of the Franchise Agreement and any renewal terms. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us (and, if we request, our directors, employees or shareholders) as additional insureds and must provide us with 30 days' advance written notice of any material modification, cancellation or expiration of the policy. We reserve the right to obtain from your insurance carrier(s) periodic reports of losses (such as monthly, quarterly and/or annually), and you must authorize your insurance carrier(s) to provide us with these reports.

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**ITEM 9**  
**FRANCHISEE'S OBLIGATIONS**

**This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.**

| <b>Obligation</b>                                            | <b>Article in Agreement</b>                                    | <b>Disclosure Document Item</b> |
|--------------------------------------------------------------|----------------------------------------------------------------|---------------------------------|
| (a) Site selection and acquisition/lease                     | Article 9                                                      | Items 7 and 11                  |
| (b) Pre-opening purchases/lease                              | Articles 5 and 9                                               | Items 7 and 11                  |
| (c) Site development and other pre-opening requirements      | Not Applicable                                                 | Items 7 and 11                  |
| (d) Initial and ongoing training                             | Article 5                                                      | Items 6, 7 and 11               |
| (e) Opening                                                  | Article 9                                                      | Item 11                         |
| (f) Fees                                                     | Articles 4, 8, 11 and 16<br>Section 1 of the Deposit Agreement | Items 5, 6, 7 and 8             |
| (g) Compliance with standards and policies/Operations Manual | Articles 6 and 9                                               | Items 8, 11, 14 and 16          |
| (h) Trademarks and proprietary information                   | Articles 7 and 14                                              | Items 13 and 14                 |
| (i) Restrictions on products/services offered                | Articles 3 and 9                                               | Items 8 and 16                  |
| (j) Warranty and customer service requirements               | Article 9                                                      | Item 16                         |
| (k) Territorial development and sales quotas                 | Article 9                                                      | Item 12                         |
| (l) On-going product/service purchases                       | Article 5                                                      | Items 6 and 8                   |
| (m) Maintenance, appearance and remodeling requirements      | Article 9                                                      | Not Applicable                  |
| (n) Insurance                                                | Article 10                                                     | Items 7 and 8                   |
| (o) Advertising                                              | Article 11                                                     | Items 6, 7 and 11               |
| (p) Indemnification                                          | Article 13                                                     | Item 6                          |
| (q) Owner's participation/ management/ staffing              | Article 9                                                      | Items 11 and 15                 |

| Obligation                       | Article in Agreement | Disclosure Document Item |
|----------------------------------|----------------------|--------------------------|
| (r) Records/reports              | Articles 9 and 12    | Item 6                   |
| (s) Inspection/audits            | Articles 9 and 12    | Item 6                   |
| (t) Transfer                     | Article 16           | Items 6 and 17           |
| (u) Renewal                      | Article 4            | Items 6 and 17           |
| (v) Post-termination obligations | Article 18           | Item 17                  |
| (w) Non-competition covenants    | Article 15           | Item 17                  |
| (x) Dispute resolution           | Article 20           | Items 11 and 17          |
| (y) Liquidated Damages           | Article 18           | Item 6                   |

## ITEM 10 FINANCING

We do not offer direct or indirect financing, and we will not guarantee your note, lease, or any other obligation.

## ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

**Except as listed below, 1-800-JUNKPRO, LLC is not required to provide you with any assistance.**

### Pre-Opening Obligations

**Franchise Agreement:** Before the opening of a Franchised Business we will provide the following assistance and services:

1. Provide you with the manufacturer of and specifications for your service vehicle and signage so that you can lease or purchase the accepted vehicle for your Franchised Business (Franchise Agreement – Section 9.5).
2. Give you access to the Operations Manual (Franchise Agreement – Section 5.1).
3. Provide an initial training program at our offices for you and one additional person, the cost of which is included in your initial franchise fee, excluding transportation, lodging, meals and salary (Franchise Agreement – Section 5.3). This training is described in detail later in this Item. It is your responsibility to hire your employees
4. Provide, in addition to or in conjunction with the initial training program, additional assistance as we deem necessary or advisable (Franchise Agreement – Section 5.4).
5. Identify your Authorized Service Area (Franchise Agreement – Section 2.1).

6. Provide electronic artwork and templates for various documents and for advertising purposes (Franchise Agreement – Section 5.14).

### **Site Selection and Opening**

We will approve or disapprove an office location if you choose to have an office outside the home. The Franchised Business may be operated from a home-based office, but it must be within your Authorized Service Area and must be able to accept deliveries associated with the 1-800-JUNKPRO Business. We do not provide assistance with conforming the premises to local ordinances, building codes, obtaining required permits, constructing, remodeling, decorating the premises, or providing any specifications for office locations outside your home except that it must be located within your Authorized Service Area. Should you choose to lease or purchase commercial office space outside of your home, which is not required, you must submit a copy of the lease or sales contract to us prior to signing it. Our review of your proposed Lease Agreement is to ensure that the Lease contains terms that we require for our protection. Our review is not for your benefit and we encourage you to hire your own attorney to review the lease for you. We will respond within 15 days, either approving or disapproving the lease or sales contract. We do not generally own the premises from which our franchisees operate.

We estimate that between 60 and 90 days will elapse from the date you sign the Franchise Agreement to the opening of your Franchised Business for business. Your Franchised Business must be opened for business not later than 90 days after we approve the location for your Franchised Business or 120 days after you sign the Franchise Agreement, whichever occurs first.

You may not open your Franchised Business for business until: (1) we determine that your Franchised Business has been equipped and stocked with materials and supplies in accordance with our requirements (note that we only provide specifications and names of approved suppliers – it is your responsibility to acquire all the materials and supplies and have them delivered and installed); (2) the initial training program we provided has been completed to our satisfaction by the initial trainees; (3) the initial franchise fee and all other amounts due to us have been paid; (4) you have furnished us with all certificates of insurance required by the Franchise Agreement; (5) you have obtained all required governmental permits, licenses and authorizations necessary for the operation of your Franchised Business; and (6) you are in full compliance with all the terms of the Franchise Agreement.

If you are unable to either locate a site for your Franchised Business or open the Franchised Business within our required timeframes, we have the right to terminate your Franchise Agreement unless we provide you with an extension of time.

### **Post-Opening Obligations**

**Franchise Agreement:** During the operation of a Franchised Business, we will provide the following assistance and services:

1. Provide guidance and assistance in the operation of your Franchised Business. This guidance may be provided in the form of intranet or email communications and periodic telephone communications (Franchise Agreement – Section 5.4). We may also conduct periodic inspections of your Franchised Business and its operations, including evaluations of methods used and staff employed at the Franchised Business.

2. We maintain and operate a centralized phone routing system for the benefit of all 1-800-JUNKPRO Businesses. The system receives incoming calls and inquiries made to the national 1-800-JUNKPRO number and any other phone numbers or communication channels we may designate. Calls are generally routed to the franchisee servicing the applicable Authorized Service Area based on the location where services are requested, ZIP codes, or other routing methods, technologies, or processes we establish from time to time. We may modify, replace, or enhance the phone routing system at any time. So long as a franchisee is able and willing to accept and properly handle customer calls and inquiries in accordance with our system standards, calls requesting services within the franchisee's Authorized Service Area are generally routed to that franchisee. If a franchisee is unable or unwilling to accept or adequately handle calls or inquiries, including due to staffing limitations, failure to answer calls, or service interruptions, we may route such calls or inquiries to another franchisee, a company-owned operation, or a third-party call handling or customer service provider. Such routing does not alter the size or boundaries of the franchisee's Authorized Service Area. (Franchise Agreement – Section 5.12)

3. We will provide you with a suggested pricing structure for your services, as well as any minimum and/or maximum prices that you must follow, where permitted by law. You are responsible for setting and managing the prices you charge within these required parameters and for ensuring your pricing complies with all applicable laws. We may update our suggested pricing or required price ranges from time to time as we determine appropriate. (Franchise Agreement – Section 5.9).

4. Conduct your initial marketing campaign to promote the opening of your Franchised Business (Franchise Agreement – Section 8.2).

5. Continue efforts to establish and maintain high standards of customer satisfaction and professionalism in the System and continue to develop the System.

6. We will make available additional or updated training programs from time to time, including virtual modules or refresher materials. We may require attendance of certain programs if we reasonably determine that such training is necessary for the proper operation of your Franchised Business or for implementing changes to the System. (Franchise Agreement – Section 5.5).

## **Advertising**

### **Local Advertising**

We do not require you to conduct ongoing local advertising, however, we recommend that you do so. If more than 50% of your fleet is not in use for more than 30 days, we recommend that you spend at least 5% of your gross revenue on approved local advertising strategies, until utilization has increased above 70% for 2 consecutive months.

We are not required to conduct any advertising, but if we do, we may use any media and could engage in local, regional or national campaigns. We may develop advertising materials in-house or use an advertising agency. We are not required to spend any amount on advertising in your Authorized Service Area.

Your advertising promotion and marketing must be completely clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically prescribe. Before you use them, you must

send us for approval samples of all advertising, promotional and marketing materials, which we have not prepared or previously approved. If you do not receive written or verbal approval within 30 days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional or marketing materials that we have disapproved. Advertising promotional or marketing materials which we must approve include any information on a web home page or otherwise on the Internet. You may not operate any website involving, referring to or in any way related to a competitive business. You may not use the Proprietary Marks as part of any domain name, electronic address or search engine and cannot maintain your own website under any circumstances.

Any and all advertising we approve for your use in your local market will become our property upon our approval and we may use this advertising for our own purposes. You must advertise your Franchised Business using the telephone number and website address we specify. At our request you must include certain language in your local advertising, including “Franchises Available” and our website address and telephone number.

Within 30 days of our request, you must provide us with verification of your local advertising expenditures.

#### Advertising Cooperative

Franchisor currently does not participate in any advertising cooperatives.

#### Internet Websites

You must strictly comply with our social media policies relating to internet websites, including your participation in social or networking websites (such as Facebook, YouTube, Yelp, LinkedIn and Twitter), mobile applications, the promotion of your Franchised Business on the internet, and the use of the Proprietary Marks on the internet and in mobile applications. We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf. Our policies will be included in our Operations Manual and may be periodically updated.

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**Training Program**

**TRAINING PROGRAM**

| Column 1<br>Subject                                                                                                                                                                              | Column 2<br>Hours of<br>Classroom<br>Training | Column 3<br>Hours of<br>On-the-Job<br>Training | Column 4<br>Location                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------|---------------------------------------|
| Operations Manual Orientation                                                                                                                                                                    | 0.5                                           | 0                                              | Virtual / Online<br>Intranet          |
| Training Platform Orientation                                                                                                                                                                    | 0.5                                           | 0                                              | Virtual / Online<br>Training Platform |
| Initial Online Training (required<br>before in-person training):<br>Brand Standards, Operations,<br>Leadership, Financial<br>Management, KPIs,<br>Technology Systems,<br>Marketing & Advertising | 8-16                                          | 0                                              | Virtual / Online<br>Training Platform |
| Field Operations                                                                                                                                                                                 | 0                                             | 12-24                                          | Valley Center,<br>Kansas              |
| Truck and Dumpster<br>Maintenance                                                                                                                                                                | 0                                             | 1                                              | Valley Center,<br>Kansas              |
| TOTAL                                                                                                                                                                                            | 9-17                                          | 13-25                                          |                                       |

We will provide a mandatory initial training program in the operation of your Franchised Business to you (or, if you are not an individual, your operating principal) and up to one additional person (for a maximum of two people). All trainees must first complete approximately 1 to 3 days of required virtual training through our online training platform, and completion of this virtual training is mandatory before attending in-person training. After completing the online portion, you will attend approximately 2 to 3 days of in-person training at our training facility in Valley Center, Kansas (although we may provide this training at another location or deliver portions of it virtually). The cost of the initial training program is included in your initial franchise fee, however, you are responsible for all expenses you and your trainee incur while attending the training program, including travel, lodging, meals, and applicable wages. (Franchise Agreement – Section 5.3.)

You can only send two people, as referenced above, to the initial training program. However, if later on during the term of your Franchise Agreement you wish to send additional trainees to the training program, outside the 2 included, you will be subject to a fee of \$100 per day, per person, as well as the trainees' expenses while attending training.



All trainees must complete our training program—including the required virtual training modules and the in-person/remote components—to our satisfaction, and you. You must complete the entire training program not later than 2 weeks before your Franchised Business opens. If you fail to complete the training program to our satisfaction, we may permit you to retake the training program at your expense (including payment of our training fees), or we may elect to terminate the Franchise Agreement.

During your operation of the Franchised Business, we may offer and/or require additional training programs. We may designate that attendance at any of these programs is mandatory unless the absence is excused by us. We do not currently charge a fee for these programs, but you must pay the out-of-pocket expenses for each trainee from your Franchised Business attending a refresher training program. We anticipate that refresher and/or additional training will last up to five days in each calendar year.

In addition to the refresher and/or additional training programs we offer, you may also request that we provide you with additional on-site assistance or training at your Franchised Business. If we provide this additional on-site assistance or training, you must pay our then-current per diem fee for each trainer we send to your location (currently \$300 per day) and you must, reimburse each trainer's expenses while providing the on-site assistance or training, including travel, lodging, meals, and other related expenses. (Franchise Agreement – Section 5.3.)

The materials we use in conducting our training program include our Operations Manual, Training Manual, and any other materials that we believe will be beneficial in the training process. There currently are no fixed (ex., monthly or bi-monthly) training schedules, and training will be held on an as-needed basis. We will pay no compensation for any services performed by any trainee while training. We may train multiple franchisees at the same training session.

All aspects of the training are integrated so there are no definitive starting and stopping times. We reserve the right to modify the training program at any time to accommodate the individual needs and/or experience of a particular trainee.

Our instructors include Mike Davis (relevant experience with us since 1999), Misty Davis (relevant experience with us since 1999), Shawn Govern (In-field management with us since 2010) and Brittany Scheer (relevant experience with us since 2017). All of our instructors will have at least two years of relevant experience.

We will not train any of your employees during your operation of the Franchised Business unless you request that we do so, there is space available in our next training session, and you pay our then-current training fee and the trainee's expenses while attending training. We reserve the right to review the training you provide to any of your employees and, if we believe that the employee has not been trained to our satisfaction, require you to send that employee to us to be trained, at your expense. We reserve the right to require you to send all managers and replacement managers to us for training, at your expense. Any manager must pass our training program to our satisfaction and be approved by us before they may begin operating as your manager.

We reserve the right to periodically hold a regional and/or national convention of our franchisees to introduce new products or services, discuss changes, provide training and to respond to franchisee inquiries. We may designate that attendance at a convention is mandatory, unless the absence is excused by us. We will not charge a fee to attend the convention, but you

must pay all expenses you and any other attendees from your Franchised Business incur while attending, including travel, lodging, meals, and applicable wages. We reserve the right to designate the venue for the franchisee convention, such as a hotel or conference center, but we will not designate an unreasonably expensive location. We expect that a franchisee convention will be held on an annual basis, and we anticipate that the convention could last up to four days.

## **Computer Systems and Software**

You must purchase or lease the computer system we specify in our Operations Manual, including the peripheral equipment and software that we require. Unless we specify the designated supplier for the computer system, you may purchase your computer system from the vendor of your choice. If you currently have computer equipment that you believe meets our specifications, you must submit a description of the computer equipment to us and we must approve of your existing computer system before you use it for the Franchised Business. You must at all times maintain a high-speed Internet connection for your computer system, such as a T-1 line, DSL, or cable modem. We expect that the initial cost of your computer system will be approximately \$1,000.

The computer system will provide you with the following functions: word processing, email, accounting, reporting and access to an internet-based software program called JunkConnect that has been customized for 1-800-JUNKPRO Franchised Businesses. We will provide you with a secure password to access JunkConnect, we will train you on how to use JunkConnect. You must use JunkConnect in the operation of your Franchised Business. The JunkConnect software is primarily used for booking jobs, customer management, fee reporting and other resources for your Franchised Business. We include 1 desktop license per Authorized Service Area and 1 mobile application license per truck. If you want additional licenses, the current cost is \$145/month per additional desktop license and \$45/month per additional mobile license, payable to us. You must use QuickBooks Online and provide us with view-only access to your QuickBooks account.

We will have access to the information you enter into QuickBooks Online and JunkConnect, though the access to QuickBooks is view-only. QuickBooks Online and JunkConnect will collect data associated with your jobs and provide reports to both of us so that we may monitor your progress and help you more efficiently manage your Franchised Business. There are no contractual restrictions on our access to this data. Compiled sales data regarding all Franchised Businesses in the System will be made available to other franchisees and may be included in our Franchise Disclosure Document.

We do not require you to obtain a maintenance contract for your computer hardware, although you may find it beneficial to have this contract. We estimate that the cost of a maintenance contract for your computer system will be up to \$1,200 per year, but could be higher.

Your computer hardware and software must be kept up to date based on our specifications. We may require you to purchase other updates and/or upgrades for your computer system or the software you use in the Franchised Business. There is currently no contractual limitation on either the frequency or the cost for you to obtain these updates and/or upgrades. Neither we, nor our affiliates, will provide you with any maintenance, repairs, updates or upgrades for your computer system or any required software. Updates for the JunkConnect software are provided by the software company. Unless you contract with them for maintenance, no third party is required to provide maintenance, repairs, upgrades, or updates.

We will have independent access to the information and data you collect at all times, including data provided using JunkConnect and QuickBooks. The information and data we may obtain from your computer will include your revenues, the number of jobs you perform and the products and services provided, customer information, and similar data. There are no contractual limits on our access to the information and data. All data will become our property.

The data concerning all 1-800-JUNKPRO jobs performed by us, our affiliates, and our franchisees will be maintained in our CRM; however, we reserve the right to request additional data and records from you. All data collected will become our property, and we reserve the right to share reports and performance information of any franchisee with other franchisees in the System for comparison and development. We do not have direct access to the data on your computer. Any personal information inadvertently obtained from you or your computer system will not be provided to any other franchisee or any third party.

### **Confidential Operations Manual**

Attached to this Disclosure Document as Exhibit F is the Table of Contents of our Operations Manual. The Operations Manual includes approximately 243 pages.

## **ITEM 12 TERRITORY**

### **Your Authorized Service Area**

We will grant you a protected area, that we call an Authorized Service Area, which is composed of one or more Territories, within which you may operate your Franchised Business. Territories are established based on population, using the most recently published data from the U.S. Census Bureau (or any other demographic source we choose). We generally structure each Territory to contain a population of approximately 100,000 people, unless we determine otherwise. Your Authorized Service Area, including the specific Territories that comprise it, will be described in **Exhibit A** to your Franchise Agreement, and this exhibit will be updated to reflect any additional Territories you purchase.

With the exceptions listed below, we will not establish, nor allow another 1-800-JUNKPRO franchisee to establish, another competing Business located within your Authorized Service Area.

### **Routing of Customer Inquiries**

We maintain and operate a centralized phone routing system for the benefit of all 1-800-JUNKPRO Businesses. The system receives incoming calls and inquiries made to the national 1-800-JUNKPRO number and any other phone numbers or communication channels we may designate. Calls are generally routed to the franchisee servicing the applicable Authorized Service Area based on the location where services are requested, ZIP codes, or other routing methods, technologies, or processes we establish from time to time. Calls to other telephone numbers owned or controlled by us, including any local number assigned to you, may also pass through our centralized phone system and may be routed or handled in a manner we determine.

So long as a franchisee is able and willing to accept and properly handle customer calls and inquiries in accordance with our system standards, calls requesting services within the franchisee's Authorized Service Area are generally routed to that franchisee. If a franchisee is unable or unwilling to accept or adequately handle calls or inquiries for any reason, including due

to staffing limitations, scheduling limitations, operational constraints, failure to answer calls, or service interruptions, we may route such calls or inquiries to another franchisee, a company or affiliate-owned operation, or a third-party call handling or customer service provider. Such routing does not alter the size or boundaries of the franchisee's Authorized Service Area. You will not receive any portion of the revenue generated from services you do not perform.

We reserve the right, at any time, to modify, replace, enhance, discontinue, or otherwise change any aspect of the centralized phone system, routing logic, telephone numbers, technologies, or procedures relating to how calls, leads, inquiries, or service requests are handled, and you must comply with all such changes.

Our centralized phone system is not required to route any minimum number of calls, leads, service requests, or customer inquiries to any Franchised Business. All calls, inquiries, leads, recordings, data, service requests, and customer information generated through or handled by any brand-controlled phone system or communication channel remain our exclusive property.

### **Our Reserved Rights**

During the term of the Franchise Agreement, we (and any affiliates that we periodically might have) have the right:

(1) to establish and operate, and grant rights to other franchise owners to establish and operate, Franchised Businesses or similar businesses at any locations outside of the Authorized Service Area and on any terms and conditions we deem appropriate;

(2) to sell any junk removal, dumpster rental, and related services identical or similar to, or dissimilar from, those your Franchised Business sells, whether identified by the Proprietary Marks or other trademarks or service marks through any distribution channels we think best (including the Internet), located or operating outside of the Authorized Service Area;

(3) to purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Franchised Business (and/or franchise, license, and/or similar agreements for these businesses), some or all of which might be located within the Authorized Service Area. In the event this happens, when feasible and desirable, we may offer a right of first refusal to purchase any part of the newly acquired business to the franchisee who owns the affected Territory;

(4) to be acquired (regardless of the form of transaction) by a business identical or similar to Franchised Businesses, except that if we are acquired by a competing business that has one or more outlets located within your Authorized Service Area, the acquired businesses will not operate in your Authorized Service Area using the Proprietary Marks; and

(5) to engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

Also, our affiliate, United Disposal Solutions ("UDS"), may operate or service customers within any area, including your Authorized Service Area, and we are not prevented, nor are our affiliates, from servicing national or regional accounts. UDS may contract with national, regional, or multi-location customers that require services within your Authorized Service Area. Our intent is that, so long as you are in good standing under the Franchise Agreement and are able and willing to perform the requested services in accordance with applicable customer requirements,

including availability, equipment capacity, service scope, and performance standards, you will be offered and have the opportunity to perform such services within your Authorized Service Area. If you are unable or unwilling to perform the requested services, or do not meet the applicable customer requirements, we or UDS may assign the work to another franchisee, a company-owned operation, or a third-party service provider in order to meet customer service obligations. In such cases, you will not be entitled to any portion of the revenue generated from those services.

## **National Accounts**

We also intend to maintain a National Accounts program (we may also refer to these accounts as “Key Accounts” or “Strategic Accounts”). A National Account is a customer that has multiple properties across multiple Territories and/or states. You may not negotiate any contract terms with a prospective National Account. We will have sole discretion to negotiate terms with the National Account. We anticipate that you will participate in the National Accounts program, which will require you to provide products and services to the National Account according to the agreement we have negotiated with them.

If you choose not to participate in the National Account program, or if you are unable or unwilling to provide products and services to the National Account as requested, we, our affiliate or a third party (which may be another franchisee) may enter your Authorized Service Area and service the National Account, and you are not entitled to any portion of the revenue in these circumstances. We also reserve the right to terminate your participation in the National Account program if you are not providing products and services according to the terms we have negotiated or if your participation is not otherwise in compliance with our policies.

Because of the rights we retain that are described in this Item, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

## **Additional Territories, Renewals and Relocation**

During the term of your Franchise Agreement, before we will grant you the right to purchase an additional Territory, you must meet certain qualifications, including: The Territory you wish to purchase must be available; you must demonstrate the financial ability to operate multiple Territories; You must demonstrate that you have at least three to six months of operating capital for your entire Authorized Service Area (including the Territory you wish to purchase); and you must be in full compliance with your Franchise Agreement and all other agreements relating to the Franchised Business.

If you wish to reserve a territory while you are deciding whether to franchise a 1-800-JUNKPRO Business, or while you are obtaining financing before signing a Franchise Agreement, you may enter into a Deposit Agreement with us. The Deposit Agreement will specify a territory that we and our affiliates will not open or allow any third party to open a 1-800-JUNKPRO Business in. The term of the Deposit Agreement will depend on what we negotiate with each other.

If we grant your request to purchase an additional Territory, we may require you to sign our then-current form of Franchise Agreement, which may be modified so that the Franchise Agreement will expire when your original agreement would have expired. We reserve the right to grant or refuse to grant additional Territories in our sole discretion, and we will not reserve any Territory for future purchase. You are not granted a right of first refusal to purchase additional

Territories.

As part of the process of renewing your Franchise Agreement, we reserve the right to re-evaluate the Territories that make up your Authorized Service Area based on updated demographics, including population. Because an Authorized Service Area is structured to include a certain minimum population, your Authorized Service Area under the renewal Franchise Agreement may be modified to reflect shifts or changes in population as well as changes we have made to the estimated population of a Territory. We may adjust the target demographics of your renewal Authorized Service Area so that they are consistent with the target demographics used when your original Authorized Service Area was established. This re-evaluation may result in changes to the number, size, or configuration of the Territories that comprise your Authorized Service Area. Your renewal of the Authorized Service Area may be smaller or larger than your original one and may be modified to reflect current system standards.

You may relocate your Franchised Business only with our prior written approval. We will use our then-current criteria to evaluate your proposed new location, which must be within your Authorized Service Area. Our approval will not be unreasonably withheld. If you are operating from a home office, we reserve the right to require you to lease office space for your Franchised Business when you have achieved a certain level of sales.

### **Marketing and Alternative Distribution Channels**

You must use your best efforts to promote and increase the sales and services of the Franchised Business to affect the widest and best possible distribution and sale of products and services and to solicit potential customers and accounts for all 1-800-JUNKPRO services in conjunction with us. Continuation of your territorial rights does not depend on your achieving a certain sales volume, market penetration, or other contingency.

We expect you to focus your business development efforts on your Authorized Service Area. You may not directly solicit or intentionally service customers located outside of your Authorized Service Area, except as expressly permitted under the Franchise Agreement.

You may not engage in any promotional activities or sell any junk removal, dumpster rental, or related services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system or any interactive electronic document contained in a central computer linked to communications software service providers or any other devices sent or directed to customers or prospective customers; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers. While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located in your Authorized Service Area, and you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers located outside your Authorized Service Area, you may not make any sales or perform services to customers outside of your Authorized Service Area unless the customer is in an area where a 1-800-JUNKPRO Business has not yet been established.

We and our affiliates may sell products or arrange for services under the Proprietary Marks within and outside your Authorized Service Area through any method of distribution other than a dedicated Franchised Business, including sales through channels of distribution such as the Internet, catalog sales, telemarketing, national account arrangements, or other direct marketing

or sales channels (together, “Alternative Distribution Channels”). You will not receive any compensation solely as a result of solicitations made within your Authorized Service Area through Alternative Distribution Channels. You may not use Alternative Distribution Channels to make sales inside or outside your Authorized Service Area except as expressly described below, and you will not receive any compensation for our sales through Alternative Distribution Channels except as described below.

Other than UDS, we have not established other franchises or company owned outlets or another distribution channel selling or leasing similar products or services under a different trademark, but we reserve the right to do so at any time without notice to you.

### **ITEM 13 TRADEMARKS**

We grant to you the right to use certain trademarks, service marks and other commercial symbols in connection with the operation of your franchise. The primary service marks are listed in the chart below (the “Proprietary Marks”). The Proprietary Marks are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”).

| <b>Mark</b>   | <b>Registration Date</b> | <b>Registration Number</b> | <b>Principal or Supplemental Register of USPTO</b> |
|---------------|--------------------------|----------------------------|----------------------------------------------------|
| 1-800-JUNKPRO | 1/3/2012                 | 4,079,225                  | Principal                                          |
| JUNK PRO      | 4/7/2015                 | 4,715,501                  | Principal                                          |

The Proprietary Marks are owned by our principals, Mike Davis and Misty Davis. Our principals intend to file all affidavits and to renew their registration for the Proprietary Marks when they become due.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks which may be relevant to their use in this state or in any other state.

There are no agreements currently in effect which limit our right to use or to license others to use the Proprietary Marks, except for the trademark license agreement with our principals dated May 18, 2012. The trademark license agreement is for a term of 99 years and renews automatically year to year after it expires. It can only be modified by agreement between our principals and us and the agreement does not provide for termination.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks in this state or elsewhere and we are not aware of anybody having superior rights in the Proprietary Marks.

You must use the names and Proprietary Marks in full compliance with the provisions of the Franchise Agreement and in accordance with our rules. You cannot use any name or Proprietary Mark as a part of any corporate name with any prefix, suffix, or modifying word, term, design, or symbol. In addition, you may not use any name or Proprietary Mark associated with

the sale of any unauthorized product or service in any other manner not explicitly authorized in writing by us.

You may not directly or indirectly oppose our right to our trademark(s), trade name(s), trade secrets or business techniques that are a part of our business. You must notify us immediately if you learn about a claim against your use of our trademark(s). We will take whatever action, if any, we deem appropriate, we will also have the right to control any litigation or proceeding regarding the trademark(s). We have no obligation to defend you or to take any legal action against others with respect to any claim related to your use of our trademark(s), but we will indemnify you against any losses or damages incurred by you as a result of a successful claim of infringement brought by a third party and related your use of the Proprietary Marks in accordance with the terms of the Franchise Agreement.

You must conspicuously post a sign and include on all written materials, including advertisements, stationery, business cards, etc. and on your vehicles the following: "Independently owned and operated."

We reserve the right to modify the Proprietary Marks or substitute different proprietary marks for use in identifying the System and the businesses operating under it, at our sole discretion. If we designate any modified or substituted proprietary mark, you must implement the modified or substituted proprietary mark at your own expense.

## **ITEM 14**

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

#### **Patents and Copyrights**

There are no patents that are material to the franchise. You do not receive the right to use an item covered by a copyright, except for the Operations Manual, advertising materials and related items. We claim copyrights in the Operations Manual, advertising material and related items used in operating the franchise. Although we have not filed an application for a copyright registration for those items, we claim a copyright and the information is proprietary and confidential. The Operations Manual is described in Item 11 and below. You must also promptly tell us when you learn about unauthorized use of this proprietary and confidential information. We are not obligated to take any action, but will respond to this information as we think appropriate.

#### **Confidential Operations Manual**

You must operate your Franchised Business according to the strict standards, methods, policies and procedures specified in the Operations Manual (which term includes any other of our manuals which are used in the operation of your Franchised Business). We will provide you with access to the Operations Manual. It is currently posted on a restricted intranet. You must treat the Operations Manual, and the information in it as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce the Operations Manual, in whole or in part, or otherwise give access to any part of the Operations Manual to any unauthorized person. The master copy and official version of the Operations Manual is and shall be the copy and/or version maintained and designated by us in our ordinary course of business. The Operations Manual will remain our sole property and any passwords to access the online version and other information necessary to access the online version of the Operations Manual, if kept in writing, must be kept in a secure place at the Franchised Business. The Operations Manual contains, as designated and



determined by us, mandatory and, as applicable, suggested specifications, standards, and operating procedures that we prescribe for 1-800-JUNKPRO Businesses. We may revise the contents of the Operations Manual, and you must comply with each new or changed standard.

### **Confidential Information**

You must not, during the term of the Franchise Agreement or after the term of the Franchise Agreement, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to you or which you may learn because of your operation under the terms of the Franchise Agreement. Confidential information includes System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of 1-800-JUNKPRO Businesses, proprietary software (if we choose to develop this or have it developed for us), the terms of your Agreement with us, the Operations Manual, graphic designs and other intellectual property, and your customer list. You may divulge this confidential information only to those of your employees who have access to and who operate your Franchised Business. Any and all information, knowledge, know-how, techniques and other data, which we designate as confidential, will be deemed confidential for purposes of the Franchise Agreement.

At our request, you must have your manager and any personnel having access to any of our confidential information sign agreements that say that they will maintain the confidentiality of information they receive in connection with their employment by you at your Franchised Business. The agreements must be in a form satisfactory to us, including specific identification of us as a third party beneficiary of the covenants with the independent right to enforce them and that they prohibit any direct or indirect ownership in a competing business.

### **ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

Your Franchised Business must be under the direct supervision at all times of one full-time General Manager approved by us. If you are an individual, you will generally be the person who acts as General Manager, but the General Manager can be any person so long as they have been approved and trained by us. If you acquire a Territory that is not contiguous with the Authorized Service Area you currently service, then we may require you to sign a separate Franchise Agreement for that Territory, in which case it would be treated as a separate franchise requiring its own General Manager. All General Managers must successfully complete our initial training program, work full-time, and be personally approved by us. There is no requirement that a General Manager own equity in you or the Franchised Business. We may request that you cause your employees to sign a confidentiality agreement, approved or provided by us.

If your Franchised Business is a legal entity, then you must designate a principal owner ("Principal Owner"). The Principal Owner will be our contact person with your Franchised Business. The Principal Owner will have full authority to act on your entity's behalf in regard to performing, administering and amending the Franchise Agreement with us. The Principal Owner doesn't have to be the majority owner of the Franchised Business and, while we recommend it, is also not required to participate in the initial training.

**ITEM 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must operate the Franchised Business and perform all services in accordance with the operating guidelines and quality standards that we establish. You must not change the standards, specifications and procedures without our prior written consent. You must receive and fill all over-the-phone orders yourself and may not use a third party to do so. Additionally, you must also complete all orders booked online. You may not receive or fill orders by any other method. You must operate your business during the hours set by us, which may vary from territory to territory.

We have the unlimited right to change the types of authorized goods and services. You may be required to refrain from soliciting business directly from any National Account, as described in Item 12.

The System may periodically be supplemented, improved or modified by us. You must comply with all of our reasonable requirements concerning modifications to the System, including offering and selling new or different products or services as specified by us.

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

**THE FRANCHISE RELATIONSHIP**

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

| <b>Provision</b>                                  | <b>Article in Franchise Agreement</b> | <b>Summary</b>                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Term of the franchise                          | Article 4                             | Ten years                                                                                                                                                                                                                                                                                                                                                         |
| b. Renewal or extension of the term               | Article 4                             | Two renewal terms of five years each, subject to performance of contractual requirements                                                                                                                                                                                                                                                                          |
| c. Requirements for franchisee to renew or extend | Article 4                             | <p>Provide notice, be in compliance with Franchise Agreement, sign new Franchise Agreement, sign release, pay renewal fee</p> <p>You may be asked to sign a contract with materially different terms and conditions than your original contract, but the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing</p> |

| Provision                                              | Article in Franchise Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                        |                                | franchisees. We have the right to modify your territorial boundaries on renewal                                                                                                                                                                                                                                                                                                                      |
| d. Termination by franchisee                           | Not Applicable                 | You may seek to terminate your Franchise Agreement on any ground permitted by law                                                                                                                                                                                                                                                                                                                    |
| e. Termination by franchisor without cause             | Not Applicable                 |                                                                                                                                                                                                                                                                                                                                                                                                      |
| f. Termination by franchisor with cause                | Article 17                     | We may terminate the Franchise Agreement if you are in default under the Agreement and do not cure the default (if it is curable)                                                                                                                                                                                                                                                                    |
| g. "Cause" defined – curable defaults                  | Article 17                     | Breach of Franchise Agreement and other grounds, such as failure to pay fees when due, misuse of Proprietary Marks, sale of an unapproved service, unsatisfactory performance, filing false reports                                                                                                                                                                                                  |
| h. "Cause" defined – non-curable defaults              | Article 17                     | Breach of Franchise Agreement, such as filing for bankruptcy or assignment for the benefit of creditors; receivership; insolvency; foreclosure; if your business is dissolved; repeated defaults; unauthorized transfer of the franchise; defaults under property or vehicle leases; illegal or misleading business acts; you, your owners, officer or directors are convicted of a criminal offense |
| i. Franchisee's obligations on termination/non-renewal | Article 18                     | Obligations include discontinue using confidential information and materials, return Operations Manual, payment of amounts due                                                                                                                                                                                                                                                                       |
| j. Assignment of contract by franchisor                | Article 16                     | No restriction on our right to transfer                                                                                                                                                                                                                                                                                                                                                              |
| k. "Transfer" by franchisee – defined                  | Article 16                     | Includes a transfer of all or substantially all of the assets of your business                                                                                                                                                                                                                                                                                                                       |

| <b>Provision</b>                                                          | <b>Article in Franchise Agreement</b> | <b>Summary</b>                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| l. Franchisor approval of transfer by franchisee                          | Article 16                            | We have the right to approve transfers in writing                                                                                                                                                                                                                              |
| m. Conditions for franchisor approval of transfer                         | Article 16                            | Includes payment of money owed, you are not in default, sign release, we approve sales agreement, we have been given a right of first refusal, transferee qualifies and completes training to our satisfaction, transferee signs new agreement and payment of the transfer fee |
| n. Franchisor's right of first refusal to acquire franchisee's business   | Article 16                            | We can match any offer                                                                                                                                                                                                                                                         |
| o. Franchisor's option to purchase franchisee's business                  | Article 18                            | Upon expiration or termination, we can buy all or a portion of the assets of your Franchised Business                                                                                                                                                                          |
| p. Death or disability of franchisee                                      | Article 16                            | Franchise must be assigned to approved buyer within six months                                                                                                                                                                                                                 |
| q. Non-competition covenants during the term of the franchise             | Article 15                            | Includes prohibition on owning or operating business which sells similar services, or that franchises similar services                                                                                                                                                         |
| r. Non-competition covenants after the franchise is terminated or expires | Article 15                            | Includes prohibition on owning or operating business which sells similar services for two years and located within 50 miles of any unit in the System                                                                                                                          |
| s. Modification of the agreement                                          | Article 20                            | Must be in writing by both parties                                                                                                                                                                                                                                             |
| t. Integration/merger clause                                              | Article 20.11                         | Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.                                                                               |

| Provision                                         | Article in Franchise Agreement | Summary                                                  |
|---------------------------------------------------|--------------------------------|----------------------------------------------------------|
| u. Dispute resolution by arbitration or mediation | Not Applicable                 | All disputes are subject to litigation                   |
| v. Choice of forum                                | Article 20                     | Sedgwick County, Kansas, subject to applicable state law |
| w. Choice of law                                  | Article 20                     | Kansas, subject to state law                             |

## ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote our franchise.

## ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

### Historic Performance

The information provided in the following table was compiled from each of the Franchised Businesses that operated at least a full year as of December 31, 2025. None of the underlying data supplied to us has been audited.

"Gross Sales" means all revenue generated by the Franchised Business less applicable sales taxes and customer refunds and adjustments.

### **Gross Revenues of 1-800-JUNKPRO Franchised Locations for the 12 Months Ending December 31, 2025**

| US Franchised Locations of 1-800-JUNKPRO, LLC                                   | Total Locations | Highest / Lowest Gross Revenues in Range | Average Gross Revenues per Location per Month |
|---------------------------------------------------------------------------------|-----------------|------------------------------------------|-----------------------------------------------|
| Franchised locations operating for more than 24 months, but less than 36 months | 1               | \$420,059 / \$420,059                    | \$35,005                                      |
|                                                                                 |                 |                                          |                                               |

| <b>US Franchised Locations of<br/>1-800-JUNKPRO, LLC</b>                              | <b>Total<br/>Locations</b> | <b>Highest / Lowest<br/>Gross Revenues<br/>in Range</b> | <b>Average Gross<br/>Revenues per<br/>Location per Month</b> |
|---------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|--------------------------------------------------------------|
| Franchised locations operating<br>for more than 48 months, but less<br>than 60 months | 3                          | \$440,472 /<br>169,591                                  | \$23,429                                                     |
| Franchised locations operating<br>for more than 60 months, but less<br>than 72 months | 2                          | \$1,345,232 /<br>\$331,153                              | \$69,849                                                     |

**Some Franchised Businesses have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.**

The Gross Revenues figures in the tables above are overall sales and do not reflect the cost of sales or operating expenses that must be deducted from gross revenues/revenue to obtain your net income or profit, such as cost of goods sold, operating expenses, royalties, or any other costs or expenses that must be deducted from the gross revenues to obtain net income or profit.

## Projections

The following tables represent monthly income and costs per truck for an already established Franchised Business. The first table represents monthly income and cost per dumpster truck, and the second table per junk removal truck. The costs disclosed are the additional costs of operating an additional truck. Because the information is for an already established Franchised Business, operating expenses such as office or sales staff wages, office and yard rent, utilities, liability insurance, advertising, tools and equipment, and other fixed business expenses are not included in the costs. It also does not include loan payments for trucks or dumpsters, because it assumes the franchisee has made those purchases from the operation's profit. If the franchisee has taken out any business-related loans, they should also account for loan payments.

| <b>TRUCKONOMICS - DUMPSTER TRUCK</b>                                                                                                                                                                     |                 |                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------|
| The following table assumes that the Franchised Business delivers 4 dumpsters per day Monday – Friday and 2 dumpsters on Saturday (operating 10 hours per day Monday – Friday and 5 hours on Saturdays): |                 |                                |
| <b>Monthly Sales per Truck</b>                                                                                                                                                                           |                 |                                |
| Jobs Per Week                                                                                                                                                                                            | 22              | 1 Job = 1 delivery + 1 pick up |
| Jobs Per Month                                                                                                                                                                                           | 95              |                                |
| AJS (Average Job Sale)                                                                                                                                                                                   | \$471           | Average Revenue Per Job        |
| <b>Monthly Gross Revenues</b>                                                                                                                                                                            | <b>\$44,745</b> |                                |

| <b>TRUCKONOMICS - DUMPSTER TRUCK</b>                  |                 |                                                                                            |
|-------------------------------------------------------|-----------------|--------------------------------------------------------------------------------------------|
| <b>Monthly Cost per Truck - Payroll Related</b>       |                 |                                                                                            |
| Truck Captain(s) (Driver)                             | \$4,767         | \$20.00 per hour at 2,860 hours per year                                                   |
| 2 <sup>nd</sup> Team Member (Helper)                  | \$0             | No Helper needed                                                                           |
| FICA/FUTA                                             | \$508           | 10.65% (7.65% + 3%) of personnel costs (driver)                                            |
| Workers Comp                                          | \$334           | 7% of personnel costs (driver)                                                             |
| <b>Monthly Costs per Truck - Other Variable Costs</b> |                 |                                                                                            |
| Fuel                                                  | \$3,132         | 7% of monthly Gross Sales                                                                  |
| Vehicle Insurance                                     | \$800           | Average - Usually starts higher and decreases with time and as additional trucks are added |
| Truck Maintenance                                     | \$1,342         | 3% of monthly Gross Sales                                                                  |
| Disposal/Transfer Fees                                | \$8,054         | 18% of monthly Gross Sales                                                                 |
| Credit Card Processing Fees                           | \$895           | 2% of monthly Gross Sales                                                                  |
| System Access Fee                                     | \$1,200         | System Access Fee                                                                          |
| <b>Total Monthly Costs**</b>                          | <b>\$21,032</b> |                                                                                            |
| <b>Net Operating Profit Per Truck</b>                 | <b>\$23,713</b> |                                                                                            |

\* Your payroll costs will vary based on the pay structure you set and the number of jobs performed.

\*\* You should expect to have additional business expenses, as noted above.

#### Material Assumptions:

The System Access Fee on the chart above assumes a 5 Territory Authorized Service Area that is operating 2 trucks, therefore the System Access Fee of \$2400 is divided between both trucks.

The average revenue per job is based upon the system-wide average for the 2025 fiscal year of \$471 per job. The “jobs per day” metric assumes that the Franchised Business utilizes this truck to pick up and deliver an average of 4 dumpsters per day Monday through Friday and pick up and deliver 2 dumpsters on Saturdays. 1 dumpster rental job equals 1 dumpster delivered and picked up.

The Workers Compensation Insurance and Vehicle Insurance Rates are established locally and

will vary depending upon the location in which you operate your Franchised Business and other factors.

The Disposal/Transfer Fee Rates are established locally and will vary depending upon the location in which you operate your Franchised Business, which landfills, transfer stations, and recycling and donation centers you use, management decisions, and other factors.

Except for the assumptions about jobs per day, the data presented is based on historical information related to the operation of a 1-800-JUNKPRO dumpster truck.

[Remainder of page intentionally left blank]



## TRUCKONOMICS – JUNK TRUCK

The following table assumes that the truck performs 4 jobs per day (operating 10 hours per day) for 6 days each week:

### Monthly Sales per Truck

|                                            |                 |                                                          |
|--------------------------------------------|-----------------|----------------------------------------------------------|
| Jobs Per Week                              | 24              |                                                          |
| Jobs Per Month                             | 104             |                                                          |
| AJS (Average Job Sale)                     | \$467           | Average Revenue Per Job (not incl. AR/ Recycling income) |
| <b>Monthly Gross Revenues from Jobs</b>    | <b>\$48,568</b> |                                                          |
| AR (Additional Revenue / Recycling Income) | \$1,457         | Approximately 3% of monthly Gross Revenues from Jobs     |
| <b>Monthly Gross Revenues</b>              | <b>\$50,025</b> |                                                          |

### Monthly Cost per Truck - Payroll Related

|                                         |         |                                                          |
|-----------------------------------------|---------|----------------------------------------------------------|
| Truck Captain(s) (Driver)               | \$5,200 | \$20.00 per hour at 3,120 hours per year                 |
| 2 <sup>nd</sup> Team Member(s) (Helper) | \$3,900 | \$15.00 per hour at 3,120 hours per year                 |
| FICA/FUTA                               | \$969   | 10.65% (7.65% + 3%) of personnel costs (driver + helper) |
| Workers Comp                            | \$637   | 7% of personnel costs (driver + helper)                  |

### Monthly Costs per Truck - Other Variable Costs

|                                       |                 |                                                                                            |
|---------------------------------------|-----------------|--------------------------------------------------------------------------------------------|
| Fuel                                  | \$2,501         | 5% of monthly Gross Sales                                                                  |
| Vehicle Insurance                     | \$600           | Average - Usually starts higher and decreases with time and as additional trucks are added |
| Truck Maintenance                     | \$1,501         | 3% of monthly Gross Sales                                                                  |
| Disposal/Transfer Fees                | \$3,002         | 6% of monthly Gross Sales                                                                  |
| Credit Card Processing Fees           | \$1,001         | 2% of monthly Gross Sales                                                                  |
| System Access Fee                     | \$1,200         | System Access Fee                                                                          |
| <b>Total Monthly Costs**</b>          | <b>\$20,511</b> |                                                                                            |
| <b>Net Operating Profit Per Truck</b> | <b>\$29,514</b> |                                                                                            |

\* Your payroll costs will vary based on the pay structure you set and the number of jobs performed.

\*\* You should expect to have additional business expenses, as noted above.

#### Material Assumptions:

The System Access Fee on the chart above assumes a 5 Territory Authorized Service Area that is operating 2 trucks, therefore the flat monthly System Access Fee of \$2400 is divided between both trucks.

The average revenue per job is based upon the system-wide average for the 2025 fiscal year of \$467 per job. The “jobs per day” metric assumes that the Franchised Business utilizes this truck to do 4 junk removal jobs per day, 6 days per week.

The Workers Compensation Insurance and Vehicle Insurance Rates are established locally and will vary depending upon the location in which you operate your Franchised Business and other factors.

The Disposal/Transfer Fee Rates are established locally and will vary depending upon the location in which you operate your Franchised Business, which landfills, transfer stations, and recycling and donation centers you use, management decisions, and other factors.

Except for the assumptions about jobs per day, the data presented is based on historical information related to the operation of a 1-800-JUNKPRO junk removal truck.

**These figures are only estimates of what we think you may earn. Your individual results may differ. There is no assurance that you'll earn as much.**

Written substantiation for this information will be made available to you upon reasonable request.

The data presented is based on historical data from the operation of Franchised Businesses that were open a full year as of December 31, 2025 and our company-owned 1-800-JUNKPRO business in Wichita, KS.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mike Davis at 1100 E. 45th Street North, Park City, Kansas 67219, the Federal Trade Commission, and the appropriate state regulatory agencies.

[Remainder of page intentionally left blank]

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
System-wide Outlet Summary  
For years 2023 to 2025**

| Column 1<br>Outlet Type | Column 2<br>Year | Column 3<br>Outlets at the<br>Start of the<br>Year | Column 4<br>Outlets at the End<br>of the Year | Column 5<br>Net Change |
|-------------------------|------------------|----------------------------------------------------|-----------------------------------------------|------------------------|
| Franchised              | 2023             | 9                                                  | 11                                            | +2                     |
|                         | 2024             | 11                                                 | 6                                             | -5                     |
|                         | 2025             | 6                                                  | 6                                             | 0                      |
| Company-<br>Owned*      | 2023             | 1                                                  | 1                                             | 0                      |
|                         | 2024             | 1                                                  | 1                                             | 0                      |
|                         | 2025             | 1                                                  | 1                                             | 0                      |
| Total Outlets           | 2023             | 10                                                 | 12                                            | +2                     |
|                         | 2024             | 12                                                 | 7                                             | -5                     |
|                         | 2025             | 7                                                  | 7                                             | 0                      |

\* The Company-Owned Outlets in the chart above include Outlets that are owned and operated by our affiliate.

**Table No. 2  
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For years 2023 to 2025**

| Column 1<br>State | Column 2<br>Year | Column 3<br>Number of<br>Transfers |
|-------------------|------------------|------------------------------------|
| None              | 2023             | 0                                  |
|                   | 2024             | 0                                  |
|                   | 2025             | 0                                  |
| <b>Total</b>      | 2023             | 0                                  |
|                   | 2024             | 0                                  |
|                   | 2025             | 0                                  |

**Table No. 3**  
**Status of Franchised Outlets**  
**For years 2023 to 2025**

| Col. 1<br>State | Col. 2<br>Year | Col. 3<br>Outlet<br>s at<br>Start<br>of<br>Year | Col. 4<br>Outlet<br>s<br>Opene<br>d | Col. 5<br>Termin<br>-ations | Col. 6<br>Non-<br>Renewa<br>ls | Col. 7<br>Reacquir<br>ed by<br>Franchis<br>or | Col. 8<br>Cease<br>d<br>Oper-<br>ations<br>–<br>Other<br>Reasons | Col. 9<br>Outlet<br>s at<br>End of<br>the<br>Year |
|-----------------|----------------|-------------------------------------------------|-------------------------------------|-----------------------------|--------------------------------|-----------------------------------------------|------------------------------------------------------------------|---------------------------------------------------|
| Colorado        | 2023           | 0                                               | 1                                   | 0                           | 0                              | 0                                             | 0                                                                | 1                                                 |
|                 | 2024           | 1                                               | 0                                   | 1                           | 0                              | 0                                             | 0                                                                | 0                                                 |
|                 | 2025           | 0                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 0                                                 |
| Florida         | 2023           | 1                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 1                                                 |
|                 | 2024           | 1                                               | 0                                   | 1                           | 0                              | 0                                             | 0                                                                | 0                                                 |
|                 | 2025           | 0                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 0                                                 |
| Georgia         | 2023           | 1                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 1                                                 |
|                 | 2024           | 1                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 1                                                 |
|                 | 2025           | 1                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 1                                                 |
| Illinois        | 2023           | 1                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 1                                                 |
|                 | 2024           | 1                                               | 0                                   | 1                           | 0                              | 0                                             | 0                                                                | 0                                                 |
|                 | 2025           | 0                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 0                                                 |
| Mississippi     | 2023           | 1                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 1                                                 |
|                 | 2024           | 1                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 1                                                 |
|                 | 2025           | 1                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 1                                                 |
| Missouri        | 2023           | 1                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 1                                                 |
|                 | 2024           | 1                                               | 0                                   | 1                           | 0                              | 0                                             | 0                                                                | 0                                                 |
|                 | 2025           | 0                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 0                                                 |
| Texas           | 2023           | 4                                               | 1                                   | 0                           | 0                              | 0                                             | 0                                                                | 5                                                 |
|                 | 2024           | 5                                               | 0                                   | 1                           | 0                              | 0                                             | 0                                                                | 4                                                 |
|                 | 2025           | 4                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 4                                                 |
| <b>Total</b>    | 2023           | 9                                               | 2                                   | 0                           | 0                              | 0                                             | 0                                                                | 11                                                |
|                 | 2024           | 11                                              | 0                                   | 5                           | 0                              | 0                                             | 0                                                                | 6                                                 |
|                 | 2025           | 6                                               | 0                                   | 0                           | 0                              | 0                                             | 0                                                                | 6                                                 |

**Table No. 4**  
**Status of Company-Owned and Affiliate-Owned Outlets**  
**For years 2023 to 2025**

| Col. 1<br>State | Col. 2<br>Year | Col. 3<br>Outlets<br>at Start<br>of Year | Col. 4<br>Outlets<br>Opened | Col. 5<br>Outlets<br>Reacquired<br>from<br>Franchisee | Col. 6<br>Outlets<br>Closed | Col. 7<br>Outlets<br>Sold to<br>Franchisee | Col. 8<br>Outlets<br>at End<br>of the<br>Year |
|-----------------|----------------|------------------------------------------|-----------------------------|-------------------------------------------------------|-----------------------------|--------------------------------------------|-----------------------------------------------|
| Kansas          | 2023           | 1                                        | 0                           | 0                                                     | 0                           | 0                                          | 1                                             |
|                 | 2024           | 1                                        | 0                           | 0                                                     | 0                           | 0                                          | 1                                             |
|                 | 2025           | 1                                        | 0                           | 0                                                     | 0                           | 0                                          | 1                                             |
| <b>Total</b>    | 2023           | 1                                        | 0                           | 0                                                     | 0                           | 0                                          | 1                                             |
|                 | 2024           | 1                                        | 0                           | 0                                                     | 0                           | 0                                          | 1                                             |
|                 | 2025           | 1                                        | 0                           | 0                                                     | 0                           | 0                                          | 1                                             |

The outlets in the above chart are owned and operated by our affiliate.

**Table No. 5**  
**Projected Openings as of December 31, 2025**

| Column 1<br>State | Column 2<br>Franchise<br>Agreements<br>Signed but<br>Outlet Not<br>Opened | Column 3<br>Projected New<br>Franchised<br>Outlets in the<br>Next Fiscal Year | Column 4<br>Projected New<br>Company-Owned<br>Outlets in the Next<br>Fiscal Year |
|-------------------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Colorado          | 0                                                                         | 1                                                                             | 0                                                                                |
| Florida           | 0                                                                         | 2                                                                             | 0                                                                                |
| Kansas            | 0                                                                         | 1                                                                             | 0                                                                                |
| Missouri          | 0                                                                         | 1                                                                             | 0                                                                                |
| Oklahoma          | 0                                                                         | 2                                                                             | 0                                                                                |
| Tennessee         | 0                                                                         | 1                                                                             | 0                                                                                |
| Texas             | 0                                                                         | 2                                                                             | 0                                                                                |
| <b>Total</b>      | 0                                                                         | 10                                                                            | 0                                                                                |

The table represents potential franchisees for the System. It does not take into account whether a franchisee purchases multiple Territories.

A list of the names of all franchisees and the addresses and telephone numbers of their businesses is provided in Exhibit D to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document are listed on Exhibit E to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the 1-800-JUNKPRO System.

There are no trademark-specific organizations formed by our franchisees that are associated with the 1-800-JUNKPRO System.

## **ITEM 21 FINANCIAL STATEMENTS**

Attached to this franchise disclosure document as Exhibit G are our audited balance sheets of as of December 31, 2025, and December 31, 2024, and the related statements of earnings and member's capital and cash flows for each of the three years in the period ended December 31, 2025.

## **ITEM 22 CONTRACTS**

The following agreements are attached to this Franchise Disclosure Document:

Exhibit C – Franchise Agreement

Exhibit H – Deposit Agreement

## **ITEM 23 RECEIPTS**

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

**EXHIBIT A TO THE DISCLOSURE DOCUMENT**

**1-800-JUNKPRO®**

**STATE ADMINISTRATORS / AGENTS FOR SERVICE OF PROCESS**

## **EXHIBIT A TO THE DISCLOSURE DOCUMENT**

### **AGENTS FOR SERVICE OF PROCESS/STATE ADMINISTRATORS**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed 1-800-JUNKPRO, LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which 1-800-JUNKPRO, LLC has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

#### **CALIFORNIA**

California Commissioner of Financial  
Protection and Innovation  
Department of Financial Protection and  
Innovation  
320 West 4th Street, Suite 750  
Los Angeles, CA 90013  
(213) 576-7500 Toll Free (866) 275-2677

1515 K Street, Suite 200  
Sacramento, CA 95814  
(916) 445-7205

1350 Front Street  
San Diego, CA 92101  
(619) 525-4233

One Sansome Street, Suite 600  
San Francisco, CA 94104  
(415) 972-8559

#### **HAWAII**

(state administrator)

Business Registration Division  
Department of Commerce and Consumer  
Affairs  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
(808) 586-2722

(agent for service of process)

#### **CONNECTICUT**

State of Connecticut  
Department of Banking  
Securities & Business Investments  
Division  
260 Constitution Plaza  
Hartford, CT 06103-1800  
(860) 240-8230

Agent: Banking Commissioner

#### **ILLINOIS**

Franchise Bureau  
Office of the Attorney General  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-4465



Commissioner of Securities  
State of Hawaii  
335 Merchant Street  
Honolulu, Hawaii 96813  
(808) 586-2722

## **INDIANA**

(state administrator)

Indiana Secretary of State  
Securities Division, E-111  
302 Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

(agent for service of process)  
Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6531

## **MICHIGAN**

(state administrator)

Consumer Protection Division  
Antitrust and Franchise Unit  
Michigan Department of Attorney General  
525 W. Ottawa Street, 6<sup>th</sup> Floor  
Lansing, Michigan 48933  
(517) 373-7117

(for service of process)  
Corporations Division  
Bureau of Commercial Services  
Department of Labor and Economic  
Growth  
P.O. Box 30054  
Lansing, Michigan 48909

## **NEW YORK**

(state administrator)

New York State Department of Law  
Bureau of Investor Protection and  
Securities  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, New York 10005

## **MARYLAND**

(state administrator)

Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

(for service of process)  
Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

## **MINNESOTA**

(state administrator)

Minnesota Department of Commerce  
85 7<sup>th</sup> Place East, Suite 500  
St. Paul, Minnesota 55101-2198  
(651) 296-6328

(for service of process)  
Minnesota Commissioner of Commerce

## **NORTH DAKOTA**

North Dakota Securities Department  
State Capitol, Fifth Floor, Dept. 414  
600 East Boulevard Avenue  
Bismarck, North Dakota 58505  
(701) 328-4712

(212) 416-8222

(for service of process)  
Secretary of State of New York  
41 State Street  
Albany, New York 12231  
(518) 474-4750

## **OREGON**

Department of Insurance and Finance  
Corporate Securities Section  
Labor and Industries Building  
Salem, Oregon 97310  
(503) 378-4387

## **SOUTH DAKOTA**

Division of Insurance  
Securities Regulation  
445 East Capitol Avenue  
Pierre, South Dakota 57501  
(605) 773-4823

## **WASHINGTON**

(state administrator)

Department of Financial Institutions  
Securities Division  
P.O. Box 9033  
Olympia, Washington 98507-9033  
(360) 902-8760

(for service of process)  
Director, Department of Financial  
Institutions  
Securities Division

## **RHODE ISLAND**

Division of Securities  
Rhode Island Dept. of Business  
Regulation  
Bldg. 69, First Floor  
John O. Pastore Center  
1511 Pontiac Avenue  
Cranston, RI 02920  
(401) 462-9500

## **VIRGINIA**

State Corporation Commission  
Division of Securities and Retail  
Franchising  
1300 East Main Street, 9th Floor  
Richmond, Virginia 23219  
(804) 371-9051

(for service of process)  
Clerk of the State Corporation  
Commission  
1300 East Main Street, 9<sup>th</sup> Floor  
Richmond, Virginia 23219  
(804) 371-9733

## **WISCONSIN**

(state administrator)

Division of Securities  
Department of Financial Institutions  
345 W. Washington Ave., 4<sup>th</sup> Floor  
Madison, Wisconsin 53703  
(608) 266-1064

(for service of process)  
Administrator, Division of Securities  
Department of Financial Institutions  
345 W. Washington Ave., 4<sup>th</sup> Floor

150 Israel Road S.W.  
Tumwater, Washington 98501

Madison, Wisconsin 53703

**EXHIBIT B TO THE DISCLOSURE DOCUMENT**

**1-800-JUNKPRO®**

**STATE ADDENDA TO FDD**

**MULTI-STATE ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
(FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA,  
WA, WI)**

This Addendum pertains to franchises sold in the states that have adopted as law the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements (the "SOP") and is for the purpose of complying with the statutes and regulations of such states. For franchises sold in such states, this franchise disclosure document is amended by adding the following section at the end of Item 9:

"No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

## **CALIFORNIA ADDENDUM**

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.
2. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
3. The Franchise Agreement contains covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
6. The Franchise Agreement requires application of the laws of Kansas. This provision may not be enforceable under California law.
7. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
9. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
10. OUR WEBSITE, [www.1-800-JUNKPRO.com](http://www.1-800-JUNKPRO.com), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE

CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA  
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at  
<https://dfpi.ca.gov/>.

## **ADDENDUM REQUIRED BY THE STATE OF ILLINOIS**

1. Item 17 of the Franchise Disclosure Document is amended by the addition of the following language at the beginning thereof:

### **"Notice Required By Law**

**THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE  
CAN BE TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL  
MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS 705/19 - 705/20.**

2. The provisions of Illinois law shall supersede any provisions of the Franchise Agreement or Kansas law which are in conflict with Illinois law.

3. The provisions of Section 27 of the Illinois Franchise Disclosure Act of 1987 (the "Act") supersede the provisions of Section 20.10 of the Franchise Agreement that set a limitation period shorter than as required under Section 27 of the Act, to the extent that claims are brought under Section 26 of the Act.

4. Nothing in Section 20.2 of the Franchise Agreement waives any rights you may have under Section 41 of the Illinois Franchise Disclosure Act of 1987.

5. The provisions of Section 4 of the Act supersede Section 20.6 of the Franchise Agreement which provides for venue in a forum outside of Illinois.



## **ADDENDUM REQUIRED BY THE STATE OF INDIANA**

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 20 of the Franchise Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

## **ADDENDUM REQUIRED BY THE STATE OF MARYLAND**

This will serve as the State Addendum for the State of Maryland for 1-800-JUNKPRO, LLC's Franchise Disclosure Document and for its Franchise Agreement. The amendments to the Franchise Agreement included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. The appropriate sections of the Franchise Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

7. The appropriate sections of the Franchise Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

8. The Franchise Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

## **DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN**

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:**

- (a) A prohibition on the right of a franchisee to join an association of franchises.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.**

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division  
Attn: Marilyn McEwen  
525 W. Ottawa Street, 6<sup>th</sup> Floor  
Lansing, Michigan 48933  
(517)373-7117

## **ADDENDUM REQUIRED BY THE STATE OF MINNESOTA**

1. Item 13 of the Disclosure Document and Article 7 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the Disclosure Document and Article 17 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

3. Item 17 of the Disclosure Document and Article 20 of the Franchise Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

4. Item 17 of the Disclosure Document and Articles 4 and 16 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Section 20.6 of the Franchise Agreement is hereby amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Section 20.6 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of \$30 on a NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. Article 20 of the Franchise Agreement is hereby amended accordingly.

## **ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK**

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

### **3. LITIGATION**

Neither the Franchisor, its Predecessor nor any person listed under Item 2 or an affiliate offering franchises under Franchisor's principal trademark:

- (A) has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.
- (B) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise; anti-fraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; unfair or deceptive practices; or comparable allegations.
- (C) is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

### **4. BANKRUPTCY**

Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the ten year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code (or any comparable foreign law); (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership.

## **ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA**

This addendum to the Disclosure Document and Franchise Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document and Articles 4 and 16 of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document and Article 15 of the Franchise Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document and Article 18 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(v) of the Disclosure Document and the provisions of Article 20 of the Franchise Agreement which require jurisdiction of courts in Kansas are deleted.

5. Item 17(w) of the Disclosure Document and Article 20 of the Franchise Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

6. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

7. The provisions of Article 20 of the Franchise Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

8. The provisions of Article 20 of the Franchise Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.



## **ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND**

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

“A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

## **ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE VIRGINIA RETAIL FRANCHISE ACT**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for 1-800-JUNKPRO, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement and development agreement does not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

2. The following paragraphs are added at the end of Item 17:

"Virginia [§ 13.1-559]. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Virginia [§ 13.1-563]. Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act, it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale."

## **ADDENDUM REQUIRED BY THE STATE OF WASHINGTON**

The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

**EXHIBIT C TO THE DISCLOSURE DOCUMENT**

**1-800-JUNKPRO®**

**FRANCHISE AGREEMENT  
WITH EXHIBITS AND STATE ADDENDA**



## FRANCHISE AGREEMENT

Franchisee: \_\_\_\_\_

Effective Date: \_\_\_\_\_

## TABLE OF CONTENTS

|                                                                          |    |
|--------------------------------------------------------------------------|----|
| ARTICLE 1 DEFINITIONS .....                                              | 2  |
| ARTICLE 2 GRANT OF FRANCHISE AND LICENSE .....                           | 3  |
| ARTICLE 3 YOUR RESTRICTIONS AND OUR RESERVED RIGHTS .....                | 4  |
| 3.1    Your Restrictions .....                                           | 4  |
| 3.2    Rights Reserved to Us.....                                        | 4  |
| 3.3    National Account .....                                            | 5  |
| ARTICLE 4 TERM AND RENEWAL.....                                          | 5  |
| 4.1    Term.....                                                         | 5  |
| 4.2    Renewal Term .....                                                | 5  |
| 4.3    Requirements for Renewal .....                                    | 5  |
| 4.4    Renewal Franchise Agreement .....                                 | 7  |
| 4.5    Notice Requirement.....                                           | 8  |
| 4.6    Refusal to Renew Franchise Agreement .....                        | 8  |
| 4.7    Holdover .....                                                    | 8  |
| ARTICLE 5 OUR DUTIES.....                                                | 8  |
| 5.1    Confidential Operations Manual and Online Systems .....           | 8  |
| 5.2    Additional Materials .....                                        | 9  |
| 5.3    Initial Training .....                                            | 9  |
| 5.4    Additional Assistance and Training.....                           | 10 |
| 5.5    Additional and Refresher Training .....                           | 10 |
| 5.6    Annual Convention .....                                           | 11 |
| 5.7    Approved Suppliers .....                                          | 11 |
| 5.8    Computer Hardware .....                                           | 11 |
| 5.9    Pricing .....                                                     | 11 |
| 5.10    Force Majeure .....                                              | 12 |
| 5.11    Intranet.....                                                    | 12 |
| 5.12    Centralized Phone Routing System .....                           | 12 |
| 5.13    Approved Products and Suppliers .....                            | 13 |
| 5.14    Artwork and Templates.....                                       | 13 |
| ARTICLE 6 CONFIDENTIAL OPERATIONS MANUAL.....                            | 13 |
| 6.1    Conduct of Franchised Business .....                              | 13 |
| 6.2    Confidential Information.....                                     | 14 |
| 6.3    Our Sole Property.....                                            | 14 |
| 6.4    Revisions.....                                                    | 14 |
| 6.5    Your Responsibility to Keep Current.....                          | 14 |
| 6.6    Modification of Standards .....                                   | 14 |
| 6.7    Improvements.....                                                 | 15 |
| ARTICLE 7 PROPRIETARY MARKS, TRADE NAMES AND COPYRIGHTED MATERIALS ..... | 15 |

|                                             |                                                        |    |
|---------------------------------------------|--------------------------------------------------------|----|
| 7.1                                         | License .....                                          | 15 |
| 7.2                                         | Quality Standards .....                                | 15 |
| 7.3                                         | Quality Maintenance .....                              | 15 |
| 7.4                                         | No Act in Derogation .....                             | 16 |
| 7.5                                         | No Dispute .....                                       | 16 |
| 7.6                                         | Use of Proprietary Properties .....                    | 16 |
| 7.7                                         | Identification of You .....                            | 16 |
| 7.8                                         | Discontinuance of Use .....                            | 16 |
| 7.9                                         | Our Right to Defend .....                              | 17 |
| 7.10                                        | Notification of Infringement .....                     | 17 |
| 7.11                                        | Limited License .....                                  | 17 |
| ARTICLE 8 INITIAL AND CONTINUING FEES ..... |                                                        | 17 |
| 8.1                                         | Initial Franchise Fee .....                            | 17 |
| 8.2                                         | Initial Marketing Material Kit Fee .....               | 18 |
| 8.3                                         | System Access Fee .....                                | 18 |
| 8.4                                         | Mystery Shopper Program Fee .....                      | 18 |
| 8.5                                         | Other Fees .....                                       | 19 |
| 8.6                                         | Periodic Adjustment of Fixed Fees .....                | 19 |
| 8.7                                         | System Data Access and Revenue Reporting .....         | 19 |
| 8.8                                         | Commencement of the Business .....                     | 20 |
| 8.9                                         | Right of Set Off .....                                 | 20 |
| 8.10                                        | Default .....                                          | 20 |
| 8.11                                        | Application of Funds .....                             | 20 |
| 8.12                                        | Interest on Late Payments .....                        | 21 |
| 8.13                                        | Application of Payments .....                          | 21 |
| 8.14                                        | Method of Payment - Electronic Funds Transfer .....    | 21 |
| ARTICLE 9 YOUR OBLIGATIONS .....            |                                                        | 22 |
| 9.1                                         | Your Obligations .....                                 | 22 |
| 9.2                                         | Approved Location; Development of Business .....       | 23 |
| 9.3                                         | Compliance with Laws and Good Business Practices ..... | 24 |
| 9.4                                         | Management Responsibility .....                        | 24 |
| 9.5                                         | Service Vehicles, Junk Bodies, Dumpsters .....         | 25 |
| 9.6                                         | Acknowledgments .....                                  | 26 |
| 9.7                                         | Our Directives .....                                   | 27 |
| 9.8                                         | Variances .....                                        | 27 |
| 9.9                                         | Customer Referrals .....                               | 27 |
| 9.10                                        | Former Franchisees .....                               | 27 |
| 9.11                                        | Computer System .....                                  | 28 |
| 9.12                                        | Authorized Products and Services .....                 | 28 |
| 9.13                                        | Approved Products and Supplies .....                   | 29 |
| 9.14                                        | Employees .....                                        | 29 |
| 9.15                                        | Employee Training .....                                | 29 |
| 9.16                                        | Advertising .....                                      | 29 |
| 9.17                                        | Hours of Operation .....                               | 30 |
| 9.18                                        | Inspection .....                                       | 30 |
| 9.19                                        | Reports .....                                          | 30 |
| 9.20                                        | Good Faith .....                                       | 30 |

|                                                                  |                                                              |    |
|------------------------------------------------------------------|--------------------------------------------------------------|----|
| 9.21                                                             | Ethics .....                                                 | 30 |
| 9.22                                                             | Guaranty .....                                               | 31 |
| 9.23                                                             | Customer Satisfaction; Reviews; Reputation Management .....  | 31 |
| 9.24                                                             | Forms of Payment.....                                        | 32 |
| 9.25                                                             | Privacy and Data Protection. ....                            | 32 |
| ARTICLE 10 INSURANCE.....                                        |                                                              | 32 |
| ARTICLE 11 ADVERTISING.....                                      |                                                              | 34 |
| 11.1                                                             | Approval by Us.....                                          | 34 |
| 11.2                                                             | Local Advertising .....                                      | 34 |
| 11.3                                                             | Social Media Policy .....                                    | 34 |
| 11.6                                                             | Advisory Councils.....                                       | 35 |
| ARTICLE 12 REPORTING AND FINANCIAL MANAGEMENT REQUIREMENTS ..... |                                                              | 35 |
| 12.1                                                             | Record Keeping.....                                          | 35 |
| 12.2                                                             | Reporting Systems .....                                      | 35 |
| 12.3                                                             | Reports; Records; System Access .....                        | 35 |
| 12.4                                                             | Audit.....                                                   | 36 |
| 12.5                                                             | Correction of Errors .....                                   | 37 |
| 12.6                                                             | Authorization of Us .....                                    | 37 |
| ARTICLE 13 INDEPENDENT CONTRACTOR AND INDEMNIFICATION.....       |                                                              | 37 |
| 13.1                                                             | Independent Parties .....                                    | 37 |
| 13.2                                                             | Independent Contractor.....                                  | 38 |
| 13.3                                                             | Indemnification by You .....                                 | 38 |
| 13.4                                                             | Indemnification by Us .....                                  | 39 |
| ARTICLE 14 CONFIDENTIAL INFORMATION.....                         |                                                              | 39 |
| ARTICLE 15 COVENANTS NOT TO COMPETE.....                         |                                                              | 40 |
| 15.1                                                             | In-Term Covenants.....                                       | 40 |
| 15.2                                                             | Post-Term Covenants.....                                     | 41 |
| 15.3                                                             | Unenforceability of Covenants.....                           | 41 |
| 15.4                                                             | Our Right to Amend.....                                      | 42 |
| 15.5                                                             | Existence of Claim.....                                      | 42 |
| 15.6                                                             | Injunction.....                                              | 42 |
| 15.7                                                             | Additional Covenants.....                                    | 42 |
| ARTICLE 16 ASSIGNMENT AND RIGHT OF FIRST REFUSAL .....           |                                                              | 42 |
| 16.1                                                             | Assignment by Us .....                                       | 42 |
| 16.2                                                             | Assignment by You.....                                       | 43 |
| 16.3                                                             | Transfer to a Corporation or Limited Liability Company ..... | 45 |
| 16.4                                                             | Additional Principal .....                                   | 45 |
| 16.5                                                             | Right of First Refusal .....                                 | 45 |
| 16.6                                                             | Our Approval of Security Interest.....                       | 46 |



|                                                                                                  |    |
|--------------------------------------------------------------------------------------------------|----|
| ARTICLE 17 DEFAULT AND TERMINATION.....                                                          | 46 |
| 17.1 Automatic Termination.....                                                                  | 46 |
| 17.2 Termination Without Right to Cure.....                                                      | 46 |
| 17.3 Termination With Right to Cure.....                                                         | 47 |
| 17.4 Cross-Defaults, Non-Exclusive Remedies, etc.....                                            | 48 |
| 17.5 Amendment Pursuant to Applicable Law .....                                                  | 49 |
| 17.6 Our Right to Discontinue Services to You .....                                              | 49 |
| ARTICLE 18 FURTHER OBLIGATIONS AND RIGHTS OF THE PARTIES UPON<br>TERMINATION OR EXPIRATION ..... | 49 |
| 18.1 Discontinue Use of Proprietary Properties .....                                             | 49 |
| 18.2 Cancellation of Name .....                                                                  | 50 |
| 18.3 We are Attorney-in-Fact .....                                                               | 50 |
| 18.4 Continuation of Obligations.....                                                            | 50 |
| 18.5 Cease Using Telephone Numbers and Listings .....                                            | 50 |
| 18.6 Payment of Sums Due.....                                                                    | 51 |
| 18.7 Post-Term Covenants.....                                                                    | 51 |
| 18.8 Our Right to Purchase .....                                                                 | 51 |
| 18.9 Discontinue Use; Modification .....                                                         | 52 |
| 18.10 Liquidated Damages.....                                                                    | 52 |
| ARTICLE 19 MODIFICATION OF SYSTEM .....                                                          | 53 |
| ARTICLE 20 DISPUTE RESOLUTION .....                                                              | 54 |
| 20.1 Severability and Substitution of Valid Provisions .....                                     | 54 |
| 20.2 Waiver of Obligations .....                                                                 | 54 |
| 20.3 Injunctive Relief .....                                                                     | 55 |
| 20.4 Rights of Parties are Cumulative .....                                                      | 55 |
| 20.5 Costs and Attorneys' Fees.....                                                              | 55 |
| 20.6 Litigation, Waiver of Jury Trial; Limitation of Damages, etc.....                           | 55 |
| 20.7 Governing Law .....                                                                         | 56 |
| 20.8 You May Not Withhold Payments .....                                                         | 56 |
| 20.9 Binding Effect .....                                                                        | 56 |
| 20.10 Limitations of Claims .....                                                                | 56 |
| 20.11 Construction .....                                                                         | 57 |
| 20.12 Withholding Consent .....                                                                  | 57 |
| ARTICLE 21 GENERAL PROVISIONS.....                                                               | 58 |
| 21.1 Relationship; Acknowledgments .....                                                         | 58 |
| 21.2 Authority of Your Representatives. ....                                                     | 60 |
| 21.3 Notices .....                                                                               | 60 |
| 21.4 Gender .....                                                                                | 61 |
| 21.5 Headings .....                                                                              | 61 |
| 21.6 References.....                                                                             | 61 |
| 21.7 Time of the Essence.....                                                                    | 61 |
| 21.8 Survival of Terms .....                                                                     | 61 |
| 21.9 Operation in the Event of Absence or Disability .....                                       | 61 |

|                                          |                                            |    |
|------------------------------------------|--------------------------------------------|----|
| 21.10                                    | Step-In Rights.....                        | 62 |
| 21.11                                    | Business Judgment .....                    | 62 |
| ARTICLE 22 SECURITY INTEREST .....       |                                            | 62 |
| 22.1                                     | Collateral .....                           | 62 |
| 22.2                                     | Indebtedness Secured.....                  | 63 |
| 22.3                                     | Additional Documents.....                  | 63 |
| 22.4                                     | Possession of Collateral .....             | 63 |
| 22.5                                     | Our Remedies in Event of Default .....     | 63 |
| 22.6                                     | Special Filing as Financing Statement..... | 64 |
| ARTICLE 23 SUBMISSION OF AGREEMENT ..... |                                            | 64 |

**EXHIBITS:**

|   |                                                                              |
|---|------------------------------------------------------------------------------|
| A | Approved Location; Authorized Service Area; Services, Equipment Requirements |
| B | Internet Websites and Listings Agreement                                     |
| C | Telephone Listings Agreement                                                 |
| D | Guaranty                                                                     |
| E | State Addenda                                                                |
| F | General Release                                                              |
| G | Authorization Agreement for Prearranged Payments                             |
| H | Transfer of Franchise to a Corporation or Limited Liability Company          |

**1-800-JUNKPRO, LLC**

**FRANCHISE AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (“Effective Date”) between 1-800-JUNKPRO, LLC, a Delaware limited liability company with its principal office at 608 South Ramsey Drive, Valley Center, Kansas 67147 (“we”, “us” or “our”), and \_\_\_\_\_ whose principal address is \_\_\_\_\_, an individual /partnership /corporation formed or incorporated in the State of \_\_\_\_\_, who will act under this Agreement under the approved trade name “1-800-JUNKPRO” (“you” or “your”).

**W I T N E S S E T H:**

**WHEREAS**, we have developed a format and system (the “System”) that includes a method of providing full-service junk removal, and dumpster rental, for residential and commercial customers; distinct color scheme and custom lettered vehicles; dumpsters; materials and supplies; a centralized phone routing system for receiving and routing customer inquiries; methods, specifications and procedures for operations; procedures for management control; training and assistance; and merchandising, advertising and promotional programs, and customer service standards, all of which may be changed, improved and further developed using our website, trade name, trademarks and service marks, and phone number (collectively, the “Proprietary Marks”);

**WHEREAS**, you desire to enter into the business of owning and operating a business using the System and according to our requirements (“Franchised Business”) and wish to obtain a franchise from us for that purpose, as well as to receive the training and other assistance provided by us in connection therewith;

**WHEREAS**, you understand and acknowledge the importance of, and benefits to be derived from, the System, as well as our high standards of quality and service and the necessity of operating the Franchised Business hereunder in conformity with our standards and specifications;

**WHEREAS**, you desire to obtain a franchise to use the System and the Proprietary Marks at the location described in Exhibit “A” hereto, pursuant to the provisions hereof, and you have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of your own choosing and you represent and warrant that you have the business experience and financial ability to operate a Franchised Business;

**WHEREAS**, you acknowledge that you have read this Agreement and our Franchise Disclosure Document and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain uniform high standards of quality at all locations and to protect the goodwill of the Proprietary Marks;

**WHEREAS**, we expressly disclaim the making of any warranty or guarantee, expressed or implied, oral or written, regarding the potential revenues, profits or success of the business venture contemplated by this Agreement;

**WHEREAS**, you acknowledge that you have no knowledge of, nor have you received nor relied upon, any representations or warranties by us, our officers, directors, shareholders or representatives about the franchise offered hereunder, about us or our franchising programs and

policies that are contrary to the statements in our Franchise Disclosure Document or to the terms of this Agreement, or regarding the potential revenues, profits or success of the business venture contemplated hereunder; and

**WHEREAS**, you acknowledge that this Agreement places detailed and substantial obligations on you, including strict adherence to our reasonable present and future requirements regarding facilities, equipment, suppliers, operating procedures, management protocols and procedures, merchandising strategies, sales promotion programs and related matters. You acknowledge that future improvements, changes and developments in the System may require additional expense to be undertaken by you.

BEFORE SIGNING THIS AGREEMENT, YOU SHOULD READ IT CAREFULLY WITH ASSISTANCE OF LEGAL COUNSEL.

**NOW, THEREFORE**, for and in consideration of the mutual undertakings, covenants, premises and commitments contained hereinabove and below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **IT IS AGREED**, as follows:

## **ARTICLE 1 DEFINITIONS**

1.1 In addition to any other terms defined in this Agreement, the following definitions shall govern this Agreement:

1.1.1 “Agreement” means this document, including all exhibits hereto, as they may be modified from time to time, and documents referenced and incorporated herein, and any documents or agreements modifying the System.

1.1.2 “Copyrights” means all work rendered in a tangible medium of expression as defined under U.S. Copyright Law, 17 U.S.C. Sec. 101, *et seq.*, that relates to the Franchised Business, whether published or unpublished, whether confidential or not, whether created by us or one (1) or more of our franchisees, assigned hereunder to and owned by us and licensed for use by us as part of the Franchised Business under this Agreement, including without limitation, the Confidential Operations Manual.

1.1.3 “Authorized Service Area” means the exclusive geographic area granted to you to operate the Franchised Business, as identified in **Exhibit A** to this Agreement, as such Exhibit may be amended from time to time. An Authorized Service Area may consist of one or more Territories, as determined by us in accordance with the System standards.

1.1.4 “Franchised Business” means the System as licensed to you hereunder to use from within your Authorized Service Area.

1.1.5 “Know How” means our: (a) trade secrets and know-how, whether existing now or created during the term of this Agreement by us and/or one (1) or more of our franchisees (and assigned back to us), as conveyed to you, that relates to, *inter alia*, our services and/or processes, marketing practices, and business methods, affairs, tools and techniques, as well as including our customer or prospective customer lists and trade relationships including pricing information, which tends to give us and our network of franchisees a competitive edge over others who provide the same or similar products or services in the fields of full-service junk removal and

dumpster rental; (b) inventions that may be protected by the filing of U.S. patent applications under Title 35 of the United States Code and/or foreign statutory counterparts; and (c) all unpublished or otherwise confidential work that has been rendered and “work made for hire” protected under Title 17 of the United States Code and other applicable foreign copyright statutes. Know How need not take the form of any particular tangible medium of expression, but may also be found or contained in the form of records, magnetic media, papers, photographs, catalogs, books, cassettes, videotapes, computer files, or stored or fixed on computer hard or soft disks or diskettes.

1.1.6 “Proprietary Marks” means all the trademarks, service marks, logos, emblems, and indicia of origin licensed to and used or contemplated to be used by us and/or one (1) or more of our franchisees, including, but not limited to, the trade dress, the mark “1-800-JUNKPRO”, and other such trade names, service marks and trademarks as may be designated now or hereafter by us.

1.1.7 “Owner” or “Owners” means any direct or indirect member, shareholder, general or limited partner, trustee, or other equity owner of you.

1.1.8 “Principal Owner” means such individual Owner, or the individual who is the authorized representative of an entity Owner.

1.1.9 “Proprietary Properties” means the Copyrights, Know How, and Proprietary Marks.

1.1.10 “Services” means the provision of “full-service junk removal” and/or “dumpster rental” services for residential and commercial customers. “Full-service junk removal” means that you remove junk from anywhere on the customer’s property; the customer does not need to place all unwanted items in one spot for pick up; you may be required to use power tools, such as saws, jackhammers, cordless drills or impact drivers, etc., to enable removal of the junk. The “junk” you remove is generally anything that the customer’s municipal waste removal company does not pick up, such as furniture, appliances, construction or remodeling debris, yard waste, moving remnants and bulky items. “Dumpster rental” means that you deliver a dumpster to the customer; the customer fills the dumpster; you pick up the dumpster and dispose of the contents. Services specifically exclude the hauling of any liquids, gases, flammable waste or hazardous waste.

1.1.11 “Service Vehicle” means the truck you are required to obtain by lease or purchase and maintain for use in the operation of the Franchised Business

1.1.12 “Territory” means a defined geographic area within the Authorized Service Area that is licensed to you for operation of the Franchised Business, as identified in Exhibit A. A Territory will typically be structured to encompass a population of approximately one hundred thousand (100,000); however, the size, boundaries, and population of any Territory may be adjusted or otherwise determined by us in our discretion.

1.1.13 “Junk Body” means any and all junk bodies you are required to obtain by lease or purchase and maintain for use in the operation of the Franchised Business.

1.1.14 “Dumpster” means any and all dumpsters you are required to obtain by lease or purchase and maintain for use in the operation of the Franchised Business.

## **ARTICLE 2 GRANT OF FRANCHISE AND LICENSE**

2.1 Subject to the provisions of this Agreement and all documents or other agreements ancillary thereto (the "Agreement"):

2.1.1 We hereby grant to you, and you hereby accept, the franchise and license to operate a Franchised Business within the Authorized Service Area as shown on Exhibit A hereto, as such Exhibit may be modified from time to time, in accordance with our specifications and subject to our approval. The Authorized Service Area, as described on Exhibit A hereto, may be modified if you purchase additional Territories.

2.1.2 You agree to use the Proprietary Properties solely for the Franchised Business and for no other purpose.

## **ARTICLE 3 YOUR RESTRICTIONS AND OUR RESERVED RIGHTS**

### **3.1 Your Restrictions**

Your activities are limited to offering and selling those Services permitted under the System from the Authorized Service Area. You have been granted no right of ownership in and/or to any part or all of the Proprietary Properties.

### **3.2 Rights Reserved to Us**

We reserve the right: (i) of ownership in, and control over the Proprietary Properties; (ii) to grant additional franchises, whether similar or dissimilar to the franchise granted hereby, anywhere we deem reasonably appropriate, subject to the limitations set forth below; (iii) to engage fully and freely and without limitation in each and every aspect of the business of selling related services, products and equipment; (iv) to offer to the public-at-large, separately, jointly or with others, all related services and/or products of every type and kind; and (iv) to employ and exploit the Proprietary Marks, Copyrights, Know How, and software in connection therewith.

We (and any affiliates that we periodically might have) reserve the right:

(a) to establish and operate, and grant rights to other franchise owners to establish and operate, Franchised Businesses or similar businesses at any locations outside of the Authorized Service Area and on any terms and conditions we deem appropriate;

(b) to sell any junk removal, dumpster rental, and/or related services identical or similar to, or dissimilar from, those your Franchised Business sells, whether identified by the Proprietary Marks or other trademarks or service marks through any distribution channels we think best (including the Internet) located or operating outside of the Authorized Service Area;

(c) to purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to the Franchised Business (and/or enter into franchise, license, and/or similar agreements for such businesses), some or all of which might be located within the Authorized Service Area;

(d) to be acquired, merge with, or have all, or substantially all of our assets acquired (regardless of the form of transaction) by any other party, including a party with a business identical or similar to “1-800-JUNKPRO”, even if the other business operates, franchises and/or licenses competitive businesses anywhere; provided, however, that if we are acquired by a competing business that has one or more outlets located within your Authorized Service Area, the acquired businesses will not operate in your Authorized Service Area using the Proprietary Marks; and

(e) to engage in any other business activities not expressly prohibited by this Agreement, anywhere.

### **3.3 National Account**

We also intend to maintain a National Accounts program (we may also refer to these accounts as “Key Accounts” or “Strategic Accounts”). A National Account is a customer that has multiple properties across multiple Territories and/or states. You may not negotiate any contract terms with a prospective National Account. We will have sole discretion to negotiate terms with the National Account. We anticipate that you will participate in the National Accounts program, which will require you to provide products and services to the National Account according to the agreement we have negotiated with them.

If you choose not to participate in the National Account program, or if you are unable or unwilling to provide products and services to the National Account as requested, we, our affiliate or a third party (which may be another franchisee) may enter your Authorized Service Area and service the National Account, and you are not entitled to any portion of the revenue in these circumstances. We also reserve the right to terminate your participation in the National Account program if you are not providing products and services according to the terms we have negotiated or if your participation is not otherwise in compliance with our policies.

## **ARTICLE 4 TERM AND RENEWAL**

### **4.1 Term**

The term of this Agreement shall be ten (10) years commencing on the date hereof, unless sooner terminated in accordance with the provisions of this Agreement (the “Initial Term”).

### **4.2 Renewal Term**

If you shall have complied with the conditions for renewal set forth in Section 4.3 below, you shall have the right, but not the obligation, to enter into a renewal Franchise Agreement for two (2) consecutive additional terms of five (5) years each (the “Renewal Term”).

### **4.3 Requirements for Renewal**

Your right to enter into the Renewal Term is contingent upon your fulfillment of the following conditions:

4.3.1 Upon your exercise of such right and at the commencement of any Renewal Term, you shall have fully performed all of your obligations under the Agreement.

4.3.2 You, at the commencement of a Renewal Term, shall satisfy: (i) our then-current standards applicable to the System; (ii) the requirements of the then-current Franchise Agreement and all other agreements ancillary thereto, however the fees payable upon renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees, and the term of the Franchise Agreement will be five (5) years and the number of renewal terms will be reduced to reflect the remaining number of renewal terms, if any; (iii) our training requirements, including your demonstrable ability to perform all services which are part of the System at the time of renewal; (iv) the standards set forth in our then-current Confidential Operations Manual (the "Operations Manual"); and (v) our requests for disclosure of or access to information requested by us to evaluate your ability to perform.

4.3.3 You shall not be in default of any provision of this Agreement or any other agreement with us, our affiliates, subsidiaries, and designees, if any.

4.3.4 You shall have satisfied all monetary obligations to us, our affiliates, subsidiaries, and designees, if any, and shall have materially met such obligations in a timely and responsible manner throughout the Initial Term.

4.3.5 You and we shall have executed a mutual general release of any and all present as well as future claims against the parties and their affiliates, subsidiaries, and designees, if any, and their respective officers, directors, shareholders, agents, contractors, and employees, in their corporate and individual capacities, arising out of or related to the Agreement.

4.3.6 You shall be in compliance with our then-current qualification and training requirements as set forth in the Operations Manual or elsewhere.

4.3.7 You have paid to us a renewal fee equal to Five Thousand Dollars (\$5,000).

4.3.8 In the case of a Small Market franchise that is renewed as a Standard Market franchise, you provide us with a lease or other proof that you will operate your Franchised Business from an office space required for Standard Market franchise.

4.3.9 When you provide us with notice that you would like to renew this Agreement, we will re-evaluate your then-current Authorized Service Area to determine whether there have been any shifts in demographics that would warrant modifying your Authorized Service Area. Such demographic shifts include, but are not limited to, changes in population and median income. Our intent in doing such re-evaluation of your Authorized Service Area is to make the target demographics of your Authorized Service Area upon renewal similar to the target demographics of your original Authorized Service Area. You understand and acknowledge that although we will use our best efforts to ensure that the demographics included in your renewal Authorized Service Area are similar to the original Authorized Service Area, (a) your total Authorized Service Area size upon renewal may be smaller or larger than your original Authorized Service Area; (b) we cannot guaranty that your renewal Authorized Service Area will provide you with the same or similar results as with your original Authorized Service Area; and (c) we make no guaranty that the demographics included in your renewal Authorized Service Area will earn you any particular level of success.



#### **4.4 Renewal Franchise Agreement**

If you wish to exercise your right to enter into a renewal Franchise Agreement, you shall do so by executing our then-current form of Franchise Agreement, which agreement shall supersede this Agreement.

4.4.1 The terms of any renewal Franchise Agreement may differ from the terms of this Agreement. Such differences may include, without limitation, changes to System Access Fees, fee structures, operational requirements, training requirements, technology platforms, System standards, territory structure, and other rights and obligations applicable to franchisees under the System at the time of renewal. Your Authorized Service Area, including the number, configuration, and boundaries of any Territories included therein, will be subject to our then-current territory structure, mapping, and approval requirements for the renewal term, as reflected in the renewal franchise agreement and Exhibit A thereafter.

4.4.2 You shall exercise your right to renew for a Renewal Term in the following manner:

(a) Not less than one hundred eighty (180) days, but no more than two hundred forty (240) days prior to the expiration of the Initial Term, you shall, by written notice, inform us of your intention to exercise your renewal right.

(b) Within thirty (30) days after receipt of your request, if you have complied with all conditions precedent to renewal set forth above, we shall deliver to you a copy of our then-current Franchise Disclosure Document (including our then-current Franchise Agreement), and promptly upon the receipt of same you shall, in writing, acknowledge the receipt thereof.

(c) No sooner than fourteen (14) days but no more than twenty (20) days after you receive our then-current Franchise Disclosure Document (including our then-current Franchise Agreement), you shall, by written notice, notify us as to whether or not you elect to execute our then-current form of Franchise Agreement.

(d) Upon receipt of your notice of your election to execute our then-current Franchise Agreement, we shall deliver to you a copy of said Franchise Agreement, which you must execute in a timely fashion and return to us.

(e) If you shall fail to perform any of the acts or fail to deliver any of the notices required pursuant to the provisions of subsections (a), (b), (c) or (d) of this Section 4.4.2, or pursuant to the provisions of Section 4.3, in a timely fashion, such failure shall be deemed an election by you not to renew, and such failure shall cause your renewal right to expire without further notice or action by us.

(f) If you exercise your renewal right in the manner described above, and if on the date the Initial Term expires you have complied with all of the conditions set forth in Section 4.3 hereof, we shall execute the renewal Franchise Agreement previously executed by you and shall, promptly after expiration of the Initial Term, deliver one (1) fully executed copy of the renewal Franchise Agreement to you.

#### **4.5 Notice Requirement**

If applicable law requires that we give notice of expiration to you prior to the expiration of the Initial Term, this Agreement shall be deemed to remain in effect on a month-to-month basis until we have given to you that notice of expiration so required and the applicable period required to pass before the notice becomes effective shall have expired.

#### **4.6 Refusal to Renew Franchise Agreement**

We may refuse to renew this Agreement if you do not meet our then-current renewal requirements or if you fail to satisfy any conditions required for renewal under this Agreement or the applicable renewal franchise agreement. Without limiting the foregoing, we may refuse to renew this Agreement if: (a) you are not in full compliance with this Agreement or the System standards at the time renewal would take effect; (b) you have failed to pay any fees or other amounts owed to us when due; (c) you have failed to cure any defaults under this Agreement within the applicable cure periods, if any; (d) you are not in good standing with respect to required insurance, training, technology platforms, customer satisfaction standards, or other ongoing obligations of the System; or (e) you fail to meet our then-current requirements regarding approved operating locations, equipment parking or storage arrangements, or other operational prerequisites applicable at the time of renewal.

Our decision whether to renew this Agreement will be made in accordance with the terms of this Agreement and our then-current franchise policies. Any refusal to renew shall not constitute a waiver of any other rights or remedies available to us.

#### **4.7 Holdover**

If you continue to operate the Franchised Business with our express or implied consent following the expiration of the Initial Term, the continuation will be deemed to be a month-to-month extension of this Agreement, unless otherwise set forth in writing. All provisions of this Agreement will apply while you continue to operate the Franchised Business, and any guaranty entered into of your obligations will remain in effect. This Agreement will then be terminable by either party on 30 days' written notice to the other party, or such longer notice period as is required by applicable law. For avoidance of doubt, this provision does not apply in the case of your continued operation of the Franchised Business after the Agreement has been terminated.

### **ARTICLE 5 OUR DUTIES**

#### **5.1 Confidential Operations Manual and Online Systems**

5.1.1 We shall, in conjunction with our training program and in conformity with the terms and conditions of this Agreement, provide you access to our Operations Manual. Use of any part or all of the Operations Manual shall be only as permitted under this Agreement during the Initial Term and any Renewal Term.

5.1.2 The Operations Manual is, as of the Effective Date, posted on a restricted intranet and, at our option, we may post other communications and information on a restricted intranet or other website to which you will have access. You must periodically monitor the site for any updates to the Operations Manual or other standards, specifications and procedures that may be contained on such site. Any passwords or other digital identifications necessary to access the

Operations Manual on such a site will be deemed to be part of the Confidential Information. Further, you agree that you will establish the channels of communication with us and with your customers as required by us from time to time, including email, internet and other electronic forms of communication, and that you will acquire and maintain any computer or other components necessary for the transmission of such communications.

5.1.3 We may establish one or more websites and mobile applications to advertise, market and promote Franchised Businesses, the Services they offer and sell, and/or our franchise opportunity. When we establish such a website, we will designate a web page within the website for each Franchised Business. We will implement and periodically modify standards for any such website, individual web pages and mobile applications. You will not establish a website for your Franchised Business or develop any mobile application, other than the web page(s) designated to describe your Franchised Business which are located within our website.

## **5.2 Additional Materials**

In addition to any other items offered to you, we may from time to time furnish to you other documents and things comprising Copyrights or Know How, including instructions, data, materials, forms or other information developed by us in connection with the operation of the System. We shall have the right to incorporate such matters in our Operations Manual and you shall be required to conduct the operations of the Franchised Business in accordance therewith.

## **5.3 Initial Training**

With respect to new franchisees (and not renewal franchisees), we will provide a mandatory training program (the "Training Program") of approximately one (1) week of training in total. The Training Program will be delivered through a combination of virtual and online instruction provided through our proprietary online systems (including our intranet, online training modules, and Operations Manual), together with in-person classroom instruction and on-the-job field training conducted at our headquarters or at such other location(s) as we may designate from time to time. The Training Program will be provided at no additional charge to you and one of your employees only, for a maximum of two (2) people. If you wish to send additional trainees to the Training Program, whether before your Franchised Business opens or while it is operating, you agree to pay our then-current training fee for each additional trainee.

5.3.1 We will pay no compensation for any services performed by any trainee in the course of training. You shall pay all reasonable expenses incurred in connection with and during such training, including, but not limited to, transportation, meals, lodging, wages and other expenses.

5.3.2 We reserve the right to determine the subject matter and content of our Training Program. The Training Program is subject to change. If the Training Program changes between the Effective Date and date you and the other required trainees participate in the program, such persons will be required to complete the then current mandatory Training Program. Even if the Training Program requirements change, you will only be required to pay such fees for the Training Program as are provided in this Agreement.

5.3.3 We reserve the right to elect or decline to train any number of individuals representing any number of franchises individually, or at the same time.

5.3.4 In the event of a valid and complete assignment of the Franchised Business by you to a third party (as provided for hereafter), we shall train such third party in the same manner and under the same circumstances as those described above, except that the new franchisee must pay to us our then-current training fee for each individual required or designated to be trained (in addition to any fees or other requirements attendant to the assignment).

5.3.5 In the event you hire any personnel to sell or provide Services pursuant to the requirements of this Agreement and the specifications set forth in the Operations Manual, you shall be solely responsible for training said personnel; however, we reserve the right to review such training to ensure that your personnel are trained to our satisfaction. For any manager or replacement manager hired by you during the term of this Agreement, we may require that such manager be sent to our Training Program to be trained directly by us and our personnel. All costs associated with sending the manager to the Training Program, including the costs of the program itself, shall be borne by you. The manager must complete the Training Program to our satisfaction. Before any manager may begin to act in a management role in your Franchised business, the manager must be reviewed and approved by us.

5.3.6 We may waive the training requirements of any personnel if we shall determine, in our sole discretion, that any such personnel has the skill, experience and/or training necessary to operate in accordance with the System.

5.3.7 Except as set forth above in this Section 5.3 and Sections 5.4 and 5.5, it is your obligation to ensure that your employees have adequate training to perform any tasks assigned to them by you, and it is your obligation to monitor that such employees perform their tasks in compliance with the System.

#### **5.4 Additional Assistance and Training**

We shall provide such additional advisory assistance and training as we deem advisable in the operation of the System, on such terms and conditions as we determine and set forth in our Operations Manual or otherwise. We may, in our sole and exclusive discretion, cause our representatives to telephone or visit you from time to time for the purpose of rendering advice and consultation with respect to the operation of the Franchised Business, assessing your overall performance and determining whether you are conducting the Franchised Business in compliance with the standards of the System. You shall comply with all such requests and visitations, and provide all information requested.

If you request additional training or assistance on-site at your Franchised Business, you shall reimburse us for our costs in providing such training, including payment of our then-current per diem fee for each representative we send to you and each representative's travel, lodging and meals expenses.

#### **5.5 Additional and Refresher Training**

We have the option to provide mandatory or optional refresher training or other training programs, which can last up to five (5) days. Refresher training may be conducted virtually or in person, at your Franchised Business, the Franchised Business of another franchisee, or at a location operated by us. During your operation of the Franchised Business, you must attend all mandatory refresher training programs as we direct, and we may offer and/or require you to attend and complete additional training programs. We may designate that attendance at any of these programs is mandatory unless the absence is excused by us. You must pay the out-of-pocket

expenses for each person from your Franchised Business attending a refresher or additional training program.

## **5.6 Annual Convention**

We reserve the right to periodically hold a regional and/or national convention of our franchisees to introduce new products or services, discuss changes, provide training and to respond to franchisee inquiries. Attendance by one Owner or executive manager for your Franchised Business is mandatory at each Annual Convention, unless expressly approved by us. Space permitting, you may send additional attendees to the Annual Convention. As of the Effective Date, the conference attendance fee is Seven Hundred Fifty Dollars (\$750) for the first attendee, and Five Hundred Dollars (\$500) per each additional attendee from your Franchised Business. If for any reason you fail to register or fail to attend the conference, we will charge you a non-attendance fee of One Thousand Five Hundred Dollars (\$1,500). The non-attendance for failure to register will be due upon the final registration date of the conference, or ninety (90) days before the start of the conference, whichever is earlier, and will be due immediately if incurred because of failing to attend. You must pay all expenses you and any other attendees from your Franchised Business incur while attending, including travel, lodging, meals and applicable wages. We reserve the right to designate the venue for the franchisee convention, such as a hotel or conference center, but we will not designate an unreasonably expensive location. We anticipate that such convention shall be held on an annual basis.

## **5.7 Approved Suppliers**

We shall, at all times during the term of this Agreement, provide information pertaining to sources of supply of any products or materials which may be used in the System. WE AND OUR AFFILIATES MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES OR OTHER ITEMS WE APPROVE AND WE EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION AND ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, OR OTHER APPROVED ITEMS.

## **5.8 Computer Hardware**

We shall specify the particular computer hardware, software and peripheral equipment which you must purchase or lease.

## **5.9 Pricing**

We shall advise you, from time to time, concerning the maximum prices which you should charge the customers you provide Services to under the System, to the extent permitted by applicable law. The maximum prices provided by us may be different from those pricing guidelines provided to other franchisees in the System. Any such advice, if given at all, will be binding on you, since the purpose of providing such advice is to enhance inter-brand competition and would provide certain economic benefits to your customers. We will provide you with written notice of all changes to suggested prices (including any temporary promotional changes) and such changes shall be effective upon receipt, unless otherwise stated in the notice. You must participate in all price and marketing promotions, including periodic retail price discounts, unless such a requirement is contrary to applicable law. Nothing contained herein shall be deemed a representation by us that if you follow such advice you will, in fact, generate or optimize profits.

You are obligated to inform us of all prices charged for services and products sold by you and to inform us of any modifications of your prices.

#### **5.10 Force Majeure**

Delays in the performance by us or our designee of any obligations hereunder which are not our fault or within our reasonable control including, without limitation, fire, flood, natural disasters, acts of God, governmental acts or orders, or civil disorders, shall not give rise to a default by us hereunder. Rather, you shall be required to extend the time of performance of any such obligations for the period of such delay or for such other reasonable period of time as may be appropriate in the circumstances.

#### **5.11 Intranet**

We may produce and distribute communications to our franchisees via our intranet system and, if an intranet system is developed, all franchisees must subscribe to this intranet service. To access our intranet, you will be provided with a password. This password is to be considered confidential information and is to be revealed only to those of your employees who must have access to the intranet. In the event you lose the password or the password is otherwise compromised, you shall notify Franchisor of such event as soon as practicable, and we will take steps necessary to provide you with a new password for access to the intranet.

#### **5.12 Centralized Phone Routing System; Franchisee Call Handling and Staffing Obligations**

We maintain and operate, or may designate a third party to maintain and operate, a centralized phone routing system for the benefit of the 1-800-JUNKPRO system (the "Phone Routing System"). The Phone Routing System consists only of telephone numbers and communication channels that we own, control, or designate, including the national 1-800-JUNKPRO telephone number and any local, regional, or other telephone numbers that we may assign, license, or dedicate to you from time to time.

The Phone Routing System receives incoming calls and inquiries made to such numbers or channels and generally routes calls requesting services within an Authorized Service Area to the franchisee servicing that Authorized Service Area based on the location where services are requested, ZIP codes, availability, capacity, or other routing methods, technologies, criteria, or processes that we establish from time to time. Certain local or dedicated telephone numbers may be routed directly to you and may not utilize ZIP code-based or geographic routing. We reserve the right to modify, replace, enhance, discontinue, or otherwise change the Phone Routing System, in whole or in part, and to change how and to whom any calls or inquiries are routed at any time.

So long as you are able and willing to accept and properly handle customer calls and inquiries in accordance with our system standards, calls requesting services within your Authorized Service Area are generally routed to you. If you are unable or unwilling to accept or adequately handle calls or inquiries, including due to staffing limitations, failure to answer calls, service disruptions, or other operational constraints, we may, in our discretion, route or redirect such calls or inquiries to another franchisee, a company-owned operation, or a third-party call handling or customer service provider. Any such routing or redirection does not alter the size or boundaries of your Authorized Service Area and does not relieve you of your obligations under this Agreement.

Except as we may expressly elect in writing, we do not provide ongoing call answering, scheduling, quoting, pricing, or customer service on your behalf. Once a call or inquiry is routed to you through the Phone Routing System, you are solely responsible for answering the call or inquiry, responding to the customer, scheduling appointments, setting pricing, performing services, and managing all related customer interactions.

You are also solely responsible for handling all customer calls, inquiries, and communications that come directly to your operations telephone number(s) or through any other communication channels that you establish or control, whether or not such calls or inquiries pass through the Phone Routing System.

You must staff and operate your Franchised Business with sufficient trained personnel to receive and manage customer calls and inquiries routed to you through the Phone Routing System and those received directly by you. We do not guarantee that any minimum number of calls, inquiries, leads, appointments, or business opportunities will be routed to you, and there are no minimum numbers of calls or leads that we are required to provide.

If you fail or are unable to timely respond to customer calls or inquiries routed to you or received directly by you, we may, in our discretion, adjust, limit, reroute, or discontinue routing calls or inquiries to you through the Phone Routing System, and we assume no responsibility or liability for missed calls, lost business opportunities, or customer dissatisfaction resulting from your failure to adequately staff and operate your Franchised Business.

#### **5.13 Approved Products and Suppliers**

We will publish and distribute from time to time in writing, including by email and updates to the Operations Manual, a list of approved and recommended suppliers for forms, signs, cards, stationery and other items necessary to operate the Franchised Business. The approved or recommended suppliers may include us, an affiliate of ours or an independent supplier. If we designate a specific approved product and/or supplier, then you may not deviate from our requirements. Alternatively, if we provide you with specifications for a product, it will be your responsibility to locate a supplier that can meet our specifications. You may purchase supplies either from a source of supply approved or recommended by us, or from any other supplier which can first demonstrate to our satisfaction that its products or services meet the specifications established from time to time by us.

#### **5.14 Artwork and Templates**

We will provide you initially and periodically throughout the term of this Agreement with electronic artwork and templates for various documents you will use in the operation of the Franchised Business and for advertising purposes. We reserve the right to require you to reimburse our expenses to provide the artwork and templates to you.

### **ARTICLE 6 CONFIDENTIAL OPERATIONS MANUAL**

#### **6.1 Conduct of Franchised Business**

In order to protect the reputation and goodwill of us, the System, and Proprietary Properties, and to maintain requisite operating standards under the Proprietary Marks, you shall conduct your Franchised Business in strict accordance with the mandatory provisions, standards, and procedures set forth in this Agreement and in the Operations Manual.

## **6.2 Confidential Information**

You shall at all times treat the Operations Manual, any other Operations Manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein as confidential Know How, and shall use all efforts to maintain such information as secret and confidential in accordance with the terms and conditions governing Know How and Copyrights, including, without limitation, the following: you shall not, at any time, without our prior written consent, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person. The persons who are authorized shall include your management personnel who have executed a confidentiality agreement acceptable to us.

## **6.3 Our Sole Property**

The Operations Manual shall at all times remain our sole property, and shall be returned to us immediately upon expiration or termination of this Agreement.

## **6.4 Revisions**

We may, from time to time, revise the contents of the Operations Manual when we reasonably consider such revisions to be necessary to improve or maintain the standards of the System and you expressly agree to comply with each new or changed standard, provided, however, that such revisions are made for all franchisees and are reasonable in nature. You acknowledge that the marketplace in which you operate may change frequently and quickly during the term of this Agreement, and that some aspects of the Franchised Business, such as computer systems and technology, may need frequent updates. Any revisions to the contents of the Operations Manual shall be deemed effective seven (7) days after the date of mailing or providing same electronically of such revisions to you, unless otherwise specified by us.

You acknowledge the contents of the Operations Manual and any revisions or modifications made thereto shall constitute additional provisions of and modifications to this Agreement as if fully set forth herein.

## **6.5 Your Responsibility to Keep Current**

You shall at all times ensure that your copy of the Operations Manual, if such Operations Manual is provided to you in hard copy format, is kept current and up to date, and in the event of any dispute as to the contents of the Operations Manual, the terms of the master copy of the Operations Manual maintained by us at our home office shall be controlling.

## **6.6 Modification of Standards**

We and you acknowledge there may be temporary or permanent circumstances that require you to modify the implementation of the standards and guidelines set forth in the Operations Manual. We and you recognize the Operations Manual is an operational guideline for conducting your business operations and, although you shall use your best efforts to faithfully follow the standards and guidelines set forth in the Operations Manual, we shall be permitted to modify the operational standards and guidelines so that your business is best served.



## **6.7 Improvements**

To the extent that any improvements, inventions or discoveries are made by you, or your employees or agents, during the course of this Agreement and relating to the Proprietary Properties or System ("improvements"), such improvements shall be deemed assigned to and owned by us for the purpose of improving the entirety of the franchised network and the provision of Services in accordance with the System. All documents and other information concerning any such improvements shall be disclosed to us promptly after creation or invention. We shall, in our sole discretion, decide whether such improvements are worthy of inclusion in the System and the best and most practical method of implementation and protection. You shall execute all documents reasonably necessary to perfect our ownership in and to any such improvements and shall cooperate with us in the creation, implementation, use and protection thereof.

## **ARTICLE 7 PROPRIETARY MARKS, TRADE NAMES AND COPYRIGHTED MATERIALS**

### **7.1 License**

The license granted in Section 2.1 hereof does not grant you any right, title or interest, at law or in equity, in or to any of the Proprietary Properties, including the Proprietary Marks, Copyrights, and Know How, except as provided by said license. Further, such license applies only to those portions of the Proprietary Properties which have been, or may be, designated in writing by us for use by you in conjunction with the operation of the Franchised Business. You shall not represent to others, or conduct yourself in any manner that might indicate to others, that you possess any other legal or equitable rights in or to the Proprietary Properties by virtue of the license granted hereunder. Your execution of this Agreement shall further set forth your consent that the Proprietary Marks, Copyrights and Know How are valid and enforceable (without defense or recourse). You represent and warrant that you will not attack the validity or enforceability of any of the Proprietary Properties, or assist another in any such attack, during the course of this Agreement or thereafter. The terms of this Section shall survive termination or expiration of this Agreement for any reason, in addition to any of the other remedies or survival provisions otherwise contained herein.

### **7.2 Quality Standards**

You agree that the nature and quality of: all Services rendered by you in connection with the Proprietary Marks; all goods sold by you under the Proprietary Marks; and all related advertising, promotional and other related use of the Proprietary Marks by you shall conform to standards set by us and be under our control.

### **7.3 Quality Maintenance**

You agree to cooperate with us in facilitating our control of the nature and quality of the Proprietary Marks, to permit reasonable inspection of your operation, and to supply us with specimens of all uses of the Proprietary Marks upon request. You shall comply with all applicable laws and regulations and obtain all appropriate government approvals pertaining to the sale, distribution and advertising of services and goods which may be covered by this Agreement.

#### **7.4 No Act in Derogation**

You shall not do or permit any act in derogation of any of our rights to the Proprietary Properties.

#### **7.5 No Dispute**

You shall not contest or dispute our title to any part or all of the Proprietary Properties.

#### **7.6 Use of Proprietary Properties**

You shall use the Proprietary Properties solely in accordance with this Agreement and the Operations Manual. You agree to use the Proprietary Marks only in the form and manner and with appropriate legends as prescribed from time to time by us, and not to use any other service marks or trademark in combination with any of the Proprietary Marks without our prior written approval.

#### **7.7 Identification of You**

You shall not use the Proprietary Properties, or any words, phrases, symbols, trade dress, colors, logos or materials which we deem confusingly similar thereto, in your trade name or as a part of any corporate name with any prefix, suffix, or modifying word, term, design, or symbol (or for any other purpose) without our prior written approval. In that connection, you shall identify yourself to the public as doing business as “1-800-JUNKPRO” as designated in the opening paragraph of this Agreement.

During the term of this Agreement and any renewal or extension hereof, you shall identify yourself as the independent owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as we may designate in writing.

#### **7.8 Discontinuance of Use**

In addition to all post-termination provisions contained in this Agreement, you agree that after the expiration or termination of this Agreement, you shall discontinue the use of the telephone number(s) of the Franchised Business and shall not advertise in any telephone directory under the name “1-800-JUNKPRO” or any other name, phrase or logo used by the System, discontinue use of any or all of the Proprietary Properties, and not use any words, phrases, logos, designs, colors, trade dress or the like that in any manner may cause customer confusion, or resemble, be confusingly similar to, or be a colorable imitation of the Proprietary Properties. Additionally, upon our demand, you shall direct your local telephone company to transfer such telephone number(s) to us or our designee by utilization of the Telephone Listings Agreement form to be executed by you, the form of which is annexed hereto as **Exhibit C**. If you fail promptly to direct your telephone company to effect such transfer, you hereby irrevocably appoint us as your attorney-in-fact to so act. In addition, you shall direct your internet service provider to transfer to us or our designee all internet websites and listings, as well as any mobile applications, by utilization of the Internet Websites and Listings Agreement form to be executed by you, the form of which is also annexed hereto as **Exhibit B**.

## **7.9 Our Right to Defend**

If you receive notice of or learn of any actual or potential claim, suit or demand that has been or may be asserted against you or us involving any alleged infringement, unfair competition, or similar matter relating to the use of the Proprietary Properties, you shall promptly notify us of any such actual or potential claim, suit or demand. Thereupon, we shall promptly take such action as we may deem necessary in our sole discretion to address any such claim. We shall have the sole right to defend, compromise or settle any such claim, using attorneys of our own choosing, and you agree to cooperate fully with us in connection with the defense of any such claim. We shall protect, defend and indemnify you in connection with such claim unless the claim, suit or demand arises out of or relates to your use of the Proprietary Properties in violation of this Agreement, the Operations Manual or otherwise.

## **7.10 Notification of Infringement**

If you learn of any unauthorized use of the Proprietary Properties, you shall promptly notify us of the facts relating to such alleged infringing use. We shall, in our discretion, determine whether or not to take any action with respect to such information. You shall have no right to take any action with respect to any unauthorized use of the Proprietary Properties without our prior written consent.

You agree to notify us of any unauthorized use of the Proprietary Marks by others promptly as it comes to your attention. We shall have the sole right and discretion to bring infringement or unfair competition proceedings involving the Proprietary Marks.

## **7.11 Limited License**

You understand and agree that the limited license to use the Proprietary Properties granted hereby applies only to such properties as are designated by us, together with those which may hereafter be designated by us in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Proprietary Properties by virtue of the limited license granted hereunder, or by virtue of your use or creation of any of the Proprietary Properties, or upon any other basis.

If it becomes advisable at any time, in our discretion, to modify or discontinue use of any aspect of the Proprietary Properties and/or to adopt or use one or more additional or substitute items, then you shall be obligated to comply with any such instruction by us. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any such addition, modification, substitution or discontinuation, and you covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

# **ARTICLE 8 INITIAL AND CONTINUING FEES**

## **8.1 Initial Franchise Fee**

The initial franchise fee payable hereunder is determined based on the number of Territories included in your Authorized Service Area. The initial franchise fee for your first Territory is Twenty-Five Thousand Dollars (\$25,000). The initial franchise fee for each additional Territory purchased as of the Effective Date is Seven Thousand Dollars (\$7,000) per Territory, up to a maximum of ten (10) Territories operated from a single location, unless we approve otherwise.

Each Territory generally consists of a population of approximately 100,000 people, although actual population size may vary based on geographic, demographic, and market considerations as determined by us in our discretion.

We may require you to establish an additional Authorized Service Area if you seek to operate more than ten (10) Territories, unless we approve the operation of additional Territories from a single location. Approval of additional Territories is subject to availability and our then-current standards and qualifications.

If, during the Initial Term or any Renewal Term, you wish to add one or more additional Territories to your Authorized Service Area, you must meet our then-current qualifications, including that the requested Territory is available, that you demonstrate the financial and operational ability to service the expanded Authorized Service Area, that you maintain a minimum of three (3) to six (6) months of operating capital for your entire Authorized Service Area (including the additional Territory), and that you are in full compliance with this Agreement and all related agreements.

If we approve your request to add one or more Territories, the initial franchise fee for each additional Territory shall be our then-current fee for additional Territories and shall be payable upon execution of a revised Exhibit A reflecting the expanded Authorized Service Area. All initial franchise fees are fully earned upon receipt and nonrefundable under all circumstances.

If this Agreement is for your first (1<sup>st</sup>) Franchised Business and you are a qualified United States veteran, the minimum Initial Franchise Fee shall be discounted by \$5,000. The qualified United States veteran must own at least fifty percent (50%) of the franchise granted herein. There shall be no discount if you are signing this Agreement in connection with purchasing an existing franchised business, renewing your franchise rights, or if you are not purchasing your first franchise. If you qualify for any other discount, the greater discount will be granted and discounts cannot be combined.

We reserve the right to deny the sale of an additional Territory to you. We do not guarantee the success of any Territory, and we will not reserve a Territory for future purchase.

All of your Territories which together will comprise the Authorized Service Area shall be listed on Exhibit A hereto, which Exhibit shall be amended from time to time in the event you purchase additional Territories

## **8.2 Initial Marketing Material Kit Fee**

In addition to the initial franchise fee described above, you shall, upon execution of this Agreement, pay to us an initial marketing material kit fee equal to Ten Thousand Dollars (\$10,000). We will provide you with a range of marketing collateral to be used for marketing the Franchised Business in the Authorized Service Area. The timing and type of marketing collateral provided with the initial marketing material kit fee will be in our discretion.

## **8.3 System Access Fee**

In addition to the Initial Franchise Fee, you must pay a monthly System Access Fee of \$1,000 for your first Territory and \$350 per month for each additional Territory.

#### **8.4 JunkConnect and FSM Extra License Fee**

If you choose to have one or more additional desktop or mobile licenses for JunkConnect, we will charge you our then-current monthly fee (\$145 per month) for each additional desktop license and (\$45 per month) for each additional mobile license.

#### **8.5 Additional Email Account**

If you choose to have an additional email address above the email address included per Authorized Service Area, you must pay our then-current monthly fee (\$10 per month) per additional email address for no less than one (1) year.

#### **8.6 Additional Training Platform Seat Fee**

If you choose to have more than two (2) training platform seats, you must pay our-then current monthly fee (\$9 per month) per seat.

#### **8.7 Mystery Shopper Program Fee**

We reserve the right to utilize mystery shoppers at any location that you operate your Franchised Business from, as we deem it necessary, including for period or random System compliance checks, or if your Franchised Business has received a significant amount of negative feedback or negative reviews, or as follow-up to a compliance issues relating to your Franchised Business. As of the Effective Date, you will pay us a fee of Two Hundred Dollars (\$200) for each time we engage a mystery shopper to review your Franchised Business.

#### **8.8 Other Fees and Payment of Fees**

Other fees payable by you are set forth in other sections of this Agreement and may also be set forth in the Operations Manual. Unless otherwise specified in this Agreement, all fees are payable on the 15th day of each month; if the 15th is not a business day, payment will be due on the immediately following business day, as specified by us.

#### **8.9 Periodic Adjustment of Fixed Fees**

Notwithstanding anything to the contrary herein, any fee in this Agreement that is set forth as a fixed dollar amount may be adjusted by Franchisor by up to 10% annually to adjust for inflation, the scope of services provided in exchange for the fee, and other cost increases. The annual increase is cumulative, and if Franchisor does not increase a fee in any year, or does not increase it by the full 10%, Franchisor may increase the fee in a subsequent year by up to 10% plus any percentage increase permitted in a prior year that was not exercised. By way of example, if a monthly fee is \$10 in year 1, and remains at \$10 in year 2, then in year 3 Franchisor may increase the fee to \$12.10. For the avoidance of doubt, any increase permitted by this Section does not impact any fees expressed as a percentage, but where fees are expressed as a percentage or a fixed dollar amount, the dollar amount that is part of such fee may be adjusted according to this Section.

#### **8.10 System Access Fee Adjustment**

Section 8.9 will not apply to the System Access Fee. In lieu thereof the System Access Fee payable under this Agreement shall automatically increase by three percent (3%) annually,

beginning on January 1st each year. Such increase shall be cumulative and shall apply regardless of whether Franchisor exercises its rights under Section 8.9 with respect to other fees.

#### **8.11 System Data Access and Revenue Reporting**

You shall provide us with continuous electronic access, at any time, to your records maintained in JunkConnect, or any successor system we designate, to permit us to review and generate reports relating to revenues and other operational data of the Franchised Business from time to time, in our discretion. You are responsible for ensuring that all such data is accurate, complete, and current, and failure to do so constitutes non-compliance with this Agreement.

#### **8.12 Commencement of the Business**

Your obligations to pay the System Access Fees accrue on the day that you commence operation of the Franchised Business. "Commencement of the Business" is defined as the first day on which the Franchised Business receives revenues, offers services, or conducts any of the activities contemplated by this Agreement.

#### **8.13 Right of Set Off**

You agree to pay promptly, when due, all taxes and assessments that may be assessed or otherwise due against your income, premises, equipment and/or supplies used in connection with your business, to discharge all liens and encumbrances of every kind and character created or placed upon or against any of said property and to pay all accounts and other indebtedness of every kind incurred by you in the conduct of said business. In the event you should default in making any such payment, we shall be authorized, but not required, to pay the same on your behalf, and you covenant promptly to reimburse us for any such payment. We shall also maintain the right of set off to permit deductions of any such amounts from payments that may be due you hereunder. Any such amounts advanced by us shall be due and payable immediately on your receipt of written demand from us.

#### **8.14 Default**

Any default by you in the timely payment of any indebtedness of yours owing to us, or to any affiliate of ours, or your default in the payment of any indebtedness of yours with respect to which we or any of our affiliates are a guarantor, co-signer, endorser or obligor, shall constitute a breach of this Agreement, rendering the same subject to termination in accordance with the provisions of Article 17 hereof.

#### **8.15 Application of Funds**

You waive any and all existing and future claims and set offs against any amounts due us hereunder, which amounts shall be paid when due regardless of any other claims which you may have against us. However, we shall be entitled to apply or cause to be applied against amounts due to us any amounts which may from time to time be held by us on your behalf or be owed to you by us. Notwithstanding any designation by you, we shall use sound business judgment and be reasonable in applying any payments received from you to any past due or other indebtedness of yours, including System Access Fees, additional or non-compliance fees, purchases, interest, or other amounts payable under this Agreement. In particular, we may retain any amounts we have received for your account (whether rebates or other funds and whether paid by or due from suppliers or otherwise) as a credit and payment against any amounts that you owe or will owe to

us. We may do so without notice at any time. However, you do not have the right to offset or withhold payments owed to us for amounts purportedly due to you from us. We may condition your participation in any program (including, but not limited to, any program involving payments from third-party suppliers or otherwise) as we determine in our reasonable discretion, including, but not limited to, your being a franchisee in good standing and not in default under this Agreement or any other agreement with us. You agree that you will not withhold any amounts otherwise due us as a result of any dispute of any nature, but will pay such amounts to us and only thereafter seek reimbursement.

#### **8.16 Interest on Late Payments**

All fees and other amounts due under this Agreement, including System Access Fees, non-compliance fees, training fees, software or system license fees, lease payments, amounts due for purchases by you from us or our affiliates, and any other amounts you owe to us, will bear interest after the due date at the rate of one and one-half percent (1.5%) per month or, if lower, the maximum rate permitted by applicable law. Interest will accrue from the original due date until payment is received in full.

In addition, you must pay us a returned payment or ACH failure fee of Thirty-Five Dollars (\$35) for each returned, rejected, reversed, or failed electronic funds transfer, ACH debit, check, or other payment, whether due to insufficient funds, closed accounts, inaccurate account information, or any other reason.

You acknowledge that this Section 8.16 shall not constitute our agreement to accept such payments after same are due or a commitment by us to extend credit to or otherwise finance your Franchised Business. Further, you acknowledge that your failure to pay all amounts when due shall constitute grounds for termination of this Agreement.

#### **8.17 Application of Payments**

Notwithstanding any designation by you, we shall have sole discretion to apply any payments by you to any of your past due indebtedness for System Access Fees, purchases from us or our affiliates, interest or any other indebtedness.

#### **8.18 Method of Payment - Electronic Funds Transfer**

You must pay all fees and other amounts due under this Agreement, including System Access Fees, non-compliance fees, training fees, software or system license fees, and any other fees or charges described in this Agreement (collectively, "Fees"), in the manner and at the times we specify.

You must establish and maintain an arrangement for electronic funds transfer, automated clearing house (ACH) debit, or other electronic payment method approved by us for the payment of all Fees. You must execute and maintain in effect our then-current authorization agreement for preauthorized electronic payments, together with any additional documentation required by us or the applicable financial institution, and you must comply with all payment procedures we prescribe from time to time.

You acknowledge and agree that all Fees due under this Agreement are **absolute, unconditional, fully earned when due, and not subject to refund**, except as expressly provided in this Agreement. You may not, for any reason, delay, withhold, escrow, offset, or set

off the payment of any Fees or other amounts due under this Agreement against any claims, counterclaims, defenses, or alleged claims you may have against us or any other person or entity.

You may not withhold or delay payment of any Fees on the basis of any alleged failure, nonperformance, or dispute involving us, the System, or any third party, nor may you condition payment on the resolution of any dispute. Payment obligations under this Agreement are independent covenants.

We may change or supplement the method of payment from time to time, including requiring payment through different electronic payment systems or service providers, and you agree to promptly take all actions and execute all documents reasonably necessary to implement any such changes.

## **ARTICLE 9 YOUR OBLIGATIONS**

### **9.1 Your Obligations**

Each component of the System is vital to us, to the network of other franchisees of the System and to the operation of the Franchised Business, as well as to the members of the purchasing public who have come to rely upon us and our network for reliability and promptness. Compliance with each such component is of the essence to this Agreement. Hence, you undertake to conduct the Franchised Business at all times in full compliance with the System and each of its components. It is expressly understood and agreed that such services include, but are not limited to, providing full-service junk removal and dumpster rental services to your customers and such other related services as may be authorized by us to be offered from time to time, except that: (i) if you and we have agreed so, you may until the end of the 29<sup>th</sup> month of operation of your Franchised Business provide only full-service junk removal and related services, or provide only dumpster rental services; and (ii) if this is a Small Market franchise you may, throughout the Term provide only full-service junk removal and related services, or provide only dumpster rental services. We may, from time to time, conduct market research and testing to determine consumer trends and salability of new products and services. You must cooperate by participating in our market research programs, test marketing new products and related services and providing timely reports and other relevant information regarding marketing research. In connection with such test marketing, you must execute any agreement required by us related to such test marketing, purchase a reasonable quantity of products to be tested and effectively promote and make a reasonable effort to sell such products and related services.

9.1.1 You shall operate the Franchised Business in an efficient and professional manner in accordance with the highest ethical and moral standards. You shall, as well, comply with all recommendations and standards of quality and service prescribed from time to time by us in the Operations Manual or otherwise. You may not discriminate against anyone to whom the Franchised Business provides Services and may not refuse any request for Services from within the Authorized Service Area unless the Services request will compromise the safety of you, your employees and/or the customer.

9.1.2 You must secure and maintain adequate space within your Authorized Service Area for the parking, staging, and storage of your Service Vehicles, junk bodies, dumpsters, related equipment, and employee vehicles used in the operation of the Franchised Business. Such space must be legally permitted under applicable laws and ordinances and must comply with the System standards. You are not required to maintain a separate office location;



however, any parking or storage location must be suitable for daily operations and for the safe, secure, and orderly parking of equipment and employee vehicles. You are solely responsible for identifying, securing, and maintaining such space and for ensuring compliance with all applicable zoning, permitting, safety, and regulatory requirements.

## 9.2 **Approved Location; Development of Business**

You may operate the Franchised Business from a home office located within your Authorized Service Area, provided the location is able to accept deliveries associated with the operation of the 1-800-JUNKPRO Business and complies with applicable local laws and ordinances. A home office is permitted and no separate commercial office location is required.

If you elect to lease or purchase office space outside of your home, which is optional, the proposed office location must be located within your Authorized Service Area and must be submitted to us for approval prior to execution of any lease or purchase agreement. You must provide us with a copy of the proposed lease or sales contract before signing. Our review is solely for our protection and to confirm that the lease or sales contract contains terms we require. Our review is not for your benefit, and we do not provide legal advice or assistance. We encourage you to retain your own legal counsel to review any lease or purchase agreement.

We will approve or disapprove the proposed lease or sales contract within fifteen (15) days after receipt. We do not generally own, lease, or control the premises from which franchisees operate, and we do not provide assistance with conforming premises to local ordinances, building codes, obtaining permits, construction, remodeling, decoration, or otherwise preparing any location for use.

When a location is approved, it will be identified as the "Approved Location" in **Exhibit A** to this Agreement. The Approved Location may be a home-based office or other location approved by us in writing. You may not relocate the Franchised Business without our prior written approval. Our approval of any location does not constitute a representation, warranty, or guarantee regarding the suitability, performance, or success of the location.

After execution of this Agreement and payment of the Initial Franchise Fee, you must equip the Franchised Business, complete the Training Program (as required by Section 5.3 of this Agreement), and commence operation of the Franchised Business no later than ninety (90) days after the date we approve the location for your Franchised Business or one hundred twenty (120) days after this Agreement is executed, whichever occurs first.

Your Franchised Business must be opened for business not later than ninety (90) days after we approve the location for your Franchised Business or one hundred twenty (120) days after you execute this Agreement, whichever occurs first. You may not open your Franchised Business for business until: (1) we determine that your Franchised Business has been equipped and stocked with materials and supplies in accordance with our requirements; (2) the initial training program we provided has been completed to our satisfaction by the initial trainees; (3) the initial franchise fee and all other amounts due to us have been paid; (4) you have furnished us with all certificates of insurance required by this Agreement; (5) you have obtained all required governmental permits, licenses and authorizations necessary for the operation of your Franchised Business; and (6) you are in full compliance with all the terms of this Agreement.

If you are unable to either locate a site for your Franchised Business or open the Franchised Business within our required timeframes, we have the right to terminate your

Franchise Agreement unless we provide you with an extension of time. You shall be excused from the timely performance of your obligations under this Section if the cause of delay is beyond your reasonable control. Such cause would include, by way of illustration, strikes, fires and acts of God or other causes which you could not, by the exercise of due diligence, have reasonably avoided; provided, however, that any such cause shall not relieve you of your requirement to pay fees to us as described herein.

### **9.3 Compliance with Laws and Good Business Practices**

You shall secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of your Franchised Business. You shall operate your Franchise in full compliance with all applicable laws, ordinances and regulations, including without limitation all government regulations relating to environmental protection, occupational hazards and health, worker's compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales taxes. You shall, in all dealings with your customers, suppliers, us and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Proprietary Marks and other Franchised Businesses. You and your employees shall be required to wear any uniforms that we determine, in the best interests of the System, to have all of our franchisees and their employees wear.

Without limiting the generality of this Section 9.3, you certify that neither you nor your Owners, employees or anyone associated with you is listed in the Annex to Executive Order 13224. (The Annex is available at <http://www.treasury.gov/offices/enforcement/ofac/sdn>.) You agree not to hire or have any dealings with a person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, your Owners, employees, or anyone associated with you being listed in the Annex to Executive Order 13224. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, you certify, represent, and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your Owners are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by you to comply with all such Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities as provided in Article 13 of this Agreement pertain to your obligations under this Article 9. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your Owners, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or one of our affiliates in accordance with the terms of this Agreement. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

### **9.4 Management Responsibility**

Your Franchised Business shall be under the direct supervision at all times of one full-time General Manager approved by us. If you are an individual, you will generally be the person who acts as General Manager, but the General Manager can be any person so long as they have been approved and trained by us.

## **9.5 Service Vehicles, Junk Bodies, and Dumpsters**

You shall be obligated to purchase or lease the Service Vehicles and Dumpsters required by us to be used in the operation of the Franchised Business, the specifications for which are set forth in the Operations Manual and are subject to change from time to time. If you wish to purchase a used Service Vehicle, such Service Vehicle shall be approved by us prior to its purchase.

**9.5.1 Use of Service Vehicle.** You and your employees, agents and independent contractors shall travel to your customers' and prospective customers' residential or small commercial properties only in Service Vehicles that have been acquired, designed, equipped, painted, decaled, decorated and/or otherwise outfitted as specified and approved by us, and no others. It is acknowledged that such restriction is necessary to present a uniform appearance to the public. You understand and acknowledge that the Service Vehicle shall only be used for projects and work approved and/or authorized by us, and for no other purpose.

**9.5.2 Condition.** You shall maintain your Service Vehicles, Junk Bodies, Dumpsters in good working order, performing scheduled maintenance on your Service Vehicles as recommended by the manufacturer and repairing all malfunctions promptly. You shall also ensure that each Service Vehicle and Dumpster is equipped with all of the items and accessories required by us, as well as displaying approved signage. Each truck must meet the System standards, and must be replaced if it no longer meets such standards.

**9.5.3 Cleanliness and Appearance.** You shall keep all of your Service Vehicles, Junk Bodies, and Dumpsters neat and clean, and consistent with the image of the Franchised Business, as outlined in the Operations Manual.

**9.5.4 Disposition.** Under no circumstances shall you allow a Service Vehicle, Junk Body, or Dumpster to come into the possession of anyone who is not a "1-800-JUNKPRO" franchisee without first removing and/or obliterating all the Proprietary Marks. When you dispose of any Service Vehicle, Junk Body or Dumpster, you must inform us of the disposition in writing, including verification of the removal of all signage and Proprietary Marks. As for any junk truck, you are permitted to sell the cab and chassis, but the truck body or separate Junk Body must be traded or sold to another 1-800-JUNKPRO franchisee, to us or our affiliates, or must otherwise be destroyed and recycled according to our requirements. In addition, during the term of this Agreement, you may not, without our written consent, assign or sublet a lease for any Service Vehicle.

**9.5.5 Safe Driving.** You shall hire and use only safe and courteous drivers of your Service Vehicles.

**9.5.6 Compliance with Law.** You shall at all times cause yourself and your employees, agents and independent contractors, along with all Service Vehicles, to be in full compliance with all applicable laws and regulations pertaining to all Service Vehicles, including, but not limited to, any requirements relating to licensing of drivers.

9.5.7 Taxes and License Fees. You shall promptly pay all license and use charges and taxes assessed on or pertaining to your Service Vehicles, and shall hold us harmless therefrom.

9.5.8 Inspection. We, by our agents, employees and attorneys, shall have the right at all times during business hours, and without prior notice to you, to inspect the interior and exterior of your Service Vehicles to ascertain if you are in compliance with this Agreement. Such inspection may include verification of correct registration, licensing and insurance. You shall cooperate, and shall cause your employees to cooperate, fully with such inspection, and shall give your permission as may be necessary to allow us to obtain government and insurance company records pertaining to ownership and operation of the Service Vehicles, and promptly deliver the information and documentation referred to herein to us, upon our request.

9.5.9 Additional Service Vehicles. You may add additional Service Vehicles to better serve your customers, subject to our advance written consent. We shall not unreasonably withhold our consent allowing you to add a Service Vehicle, but may request, and you shall provide, any information relating to your Franchised Business to assist us in making our determination.

9.5.10 Reports. You shall, upon adding a Service Vehicle to the Franchised Business, report to us in writing the identity of the Service Vehicle you are adding. Also, you shall, from time to time as requested by us or pursuant to this Agreement, report to us in writing the identity of all Service Vehicles you are then using in connection with the Franchised Business. You shall also report to us in writing each time you dispose of any Service Vehicle, setting forth the date of disposition, the name and address of the purchaser and a description of the measures taken to obliterate all resemblance to a 1-800-JUNKPRO Service Vehicle. These reports shall also include such other information as we may reasonably require, and shall be made on such forms, and at such times, as prescribed by us.

9.5.11 Lease of Service Vehicle. In the event you lease your Service Vehicle(s), rather than purchasing them, the following shall apply:

(a) You shall provide us with a copy of the proposed lease offer for the Service Vehicle for our approval. Upon execution of the lease for the Service Vehicle(s), you shall provide us with copies of all lease documents, including the vehicle identification number for each Service Vehicle.

9.5.12 Hazardous Materials. You will not deal in any way with any hazardous materials, including, but not limited to, oil or gasoline, except in connection with the operation of the Service Vehicles; asbestos, any materials containing or contaminated with PCBs; liquid waste or sludge of any sort; septic tank sludge or waste; solvents, liquid paints or chemicals; and any other item which may be considered a Hazardous Material, as such term is defined by the laws applicable to the Authorized Service Area.

## 9.6 **Acknowledgments**

You acknowledge that you are one of a number of franchisees, each of whose success depends in substantial part on the integrity, reputation and marketing efforts of each other franchisee. You further acknowledge that the value of the Proprietary Marks and of membership in the System to you, to us and to each other franchisee depends on the maintenance of uniform standards of quality, integrity and appearance. You further acknowledge that any action which

impairs the reputation and goodwill of the Proprietary Marks, impairs or adversely affects our objectives or brings us into disrepute, or departs from our uniform practices, will be likely to injure all members of the System.

### **9.7 Our Directives**

You agree that you will at all times adopt and follow all our directives concerning the appearance of your premises and Service Vehicles, the quality and appearance of goods and services offered, the appearance of you and your staff, other business practices and other matters likely to affect the public perception of the System as a unified and reliable network of companies. You will offer all of, and only, the goods and services which we authorize for “1-800-JUNKPRO” businesses.

### **9.8 Variances**

Complete and detailed uniformity under many varying conditions may not be possible or practicable, and we therefore reserve the right and privilege, at our sole and absolute discretion and as we may deem in the best interest of all concerned in any specific instance, to vary standards to accommodate special needs of you, or those of any other franchisee, based upon the peculiarities of a particular site or location, density of population, business potential, population of trade area, existing business practices, requirements of local law or local custom, or any other condition which we deem to be of importance to the successful operation of such franchisee’s business. Variances may be permanent, or temporary in nature. Further, we may from time to time allow certain franchisees to depart from normal System standards and routines in certain respects in order to experiment with or test new products or services, equipment, Service Vehicles, designs, procedures and the like. In no event shall such variance, or such testing, be deemed a waiver of any of our rights, or an excuse from performance of any of your duties hereunder. We may at any time require you to commence full compliance with all of our standards and procedures. We shall not under any circumstances be required to grant any variance to you. Nothing contained in this Article is intended to confer on you any right to compel us to grant a variance to you or to grant, withdraw or modify any variance given to any other franchisee. Such matters shall at all times remain within our sole and absolute discretion.

### **9.9 Customer Referrals**

You acknowledge and agree that you are required to refer prospective customers to 1-800-JUNKPRO Headquarters, except for prospective customers within your own Authorized Service Area.

### **9.10 Former Franchisees**

You acknowledge that former franchisees (those whose franchise agreements have expired or have been terminated) are in a position to compete unfairly with you and/or other members of the System, and to cause great injury to the reputation of the System and/or the Proprietary Marks. You therefore agree as follows:

9.10.1 You will not sell, loan, give or otherwise transfer or deliver to any former franchisee, or allow any former franchisee to copy or otherwise obtain, any confidential business information about the System; any advertising or promotional materials produced by the Brand Development and Tech Fund or by us or which bear any of the Proprietary Marks; any other materials or publications of ours, including, without limitation, the Operations Manual; any

directory or roster of franchisees or approved suppliers, any other customer lists or mailing lists pertaining in any way to the System; or any other information about the Franchised Business or the System which is not available to the public.

9.10.2 You will not refer prospective customers to any former franchisee.

9.10.3 You will not notify or advise any former franchisee of, or in any other way assist any former franchisee in learning about, the date, time and place of any meetings of franchisees.

9.10.4 If you observe any former franchisee using any of the Proprietary Marks in any way, or utilizing business premises or motor vehicles from which the Proprietary Marks and/or distinctive color scheme have not been completely obliterated, you shall immediately report such observation to us, along with all details available to you.

9.10.5 You shall in general have no dealings with any former franchisees of the System.

9.10.6 The provisions of Section 9.10 of this Agreement shall apply to you as soon as you are on notice of the expiration or termination of another franchise agreement. You shall be deemed to be on such notice when you receive notice from us that one (1) or more particular franchise agreements have expired or have been terminated.

#### **9.11 Computer System**

You shall (at your sole cost and expense) acquire computer hardware and software meeting our specifications. You understand and acknowledge that such computer hardware and software is required to properly operate the Franchised Business. In addition, you shall provide to us any user IDs and passwords that we require

#### **9.12 Authorized Products and Services**

Our reputation and goodwill is based upon, and can be maintained and enhanced only by the provision of high quality Services and other related products and services. You agree, therefore, that you will only offer such Services and other products and services that we shall authorize for the Franchised Business, including but not limited to any newly developed proprietary products or equipment. You further agree that you will not sell your customer list(s) or customer contracts, or otherwise use your customer list(s) for any purpose other than in connection with the operation of your Franchised Business. You agree that you will not, without our prior written approval, offer or sell any type of service or offer, sell or use any product that is not authorized by us for the Franchised Business. You further agree that any equipment used in Franchised Businesses shall not be used for any purpose other than the operation of your Franchised Business in compliance with this Agreement.

If you propose to offer for sale through the Franchised Business any products or services not previously designated or approved by us, then you must first submit the proposed product or service to us for consideration and approval. We will consider the proposed product or service and respond to you within a reasonable time as to whether or not the product or service is approved for sale through the Franchised Business. We reserve the right to make alterations to the proposed product or service as a condition of approval. You acknowledge and agree that, with respect to any change, amendment, or improvement in the System or proposed products or

services for which you request our approval: (i) we shall have the right to incorporate the proposed change into the System and shall thereupon obtain all right, title, and interest therein without compensation to you, (ii) we shall not be obligated to approve or accept any request to implement change, and (iii) we may from time to time revoke our approval of a particular change or amendment to the System, and upon receipt of written notice of such revocation, you shall modify your activities in the manner described by us. It is understood and agreed that information, improvements to the System or techniques prepared, compiled or developed by you, your employees or agents during the term of this Agreement and relating to the Franchised Business, whether developed separately or in conjunction with us, shall be considered as part of the Know How. You hereby grant to us an irrevocable, worldwide, exclusive, royalty-free license, with the right to sub-license such product or service.

WE AND OUR AFFILIATES MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES OR OTHER ITEMS WE APPROVE AND WE EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION AND ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, OR OTHER APPROVED ITEMS.

#### **9.13 Approved Products and Supplies**

You agree that all products and supplies used in your Franchised Business shall comply with our specifications and quality standards. In order to maintain uniformity of concept and quality, all proprietary materials and forms used by you shall be purchased from us, our affiliates or a supplier we designate in accordance with the terms and procedures set forth in the Operations Manual. The use or sale of unapproved products or services shall constitute a material and incurable breach of this Agreement. We shall provide you with a list of approved products and supplies and shall from time to time issue revisions thereto. If you wish to use any type or brand of product or supply item or wish to purchase products or supplies from a supplier that is not currently approved by us, you shall notify us of your desire to do so and submit to us specifications, photographs, samples and/or other information requested by us. We shall, within a reasonable time, determine whether such products, supplies or such supplier meets our specifications and standards and notify you whether you are authorized to use such product or supply item or purchase from such supplier. You agree to reimburse our costs related to our evaluation of the product or supplier you propose.

#### **9.14 Employees**

You are required to comply with the policies and procedures for the selection of employees and independent contractors as set forth in the Operations Manual and shall be required to uphold and represent the System to the highest standards.

#### **9.15 Employee Training**

You shall offer such continuing training programs to your personnel as are specified in the Operations Manual.

#### **9.16 Advertising**

You shall comply with all of the obligations regarding advertising as are set forth in Article 11 of this Agreement.

#### **9.17 Hours of Operation**

You are solely responsible for determining the hours of operation for your Franchised Business. Any hours of operation we may recommend from time to time are non-binding guidelines only and are provided for informational purposes. We do not control, mandate, or enforce your hours of operation.

You acknowledge that your business performance, customer demand, revenues, and profitability are solely dependent upon your own decisions, including the hours you elect to operate your Franchised Business. We assume no responsibility or liability for any loss of business, customer dissatisfaction, or reduced revenues arising from the hours of operation you select.

During the hours of operation that you designate, you must adequately staff your Franchised Business to receive and respond to customer inquiries. If a customer call or inquiry is not answered during your designated hours of operation, you must return the call or otherwise respond within a reasonable period of time, in accordance with the System standards.

#### **9.18 Inspection**

We or any of our authorized agents or representatives may, upon reasonable notice, inspect the Franchised Business during normal business hours to determine whether it is in compliance with this Agreement and with the System. Further, you understand and consent to our ability to access all files, data, accounts, reports and the like resulting from your transmission of any required reports to us via computer.

#### **9.19 Reports**

You shall submit to us such reports regarding the Franchised Business as we prescribe in the Operations Manual.

#### **9.20 Good Faith**

You shall act in good faith and use your best efforts to comply with your obligations under this Agreement, and shall cooperate with us in accomplishing the purposes of this Agreement. Further, you shall not directly or indirectly engage in any activities which would be detrimental to or interfere with the operation or reputation of the Franchised Business, us, the System, or the operations of any other franchisee.

#### **9.21 Ethics**

You agree to conduct your business in a manner that complies with the terms and intent of this Agreement; with national, state and local laws, regulations and ordinances; and with our Code of Ethics (if and when adopted and published by us). You hereby authorized any federal, local or state body regulating or supervising junk removal and dumpster rental practices to release to us information related to complaints and to any disciplinary actions taken based upon your practices. You agree to notify us within five (5) business days of any such complaints or disciplinary actions. You also agree to maintain all permits, certificates and licenses (necessary



for your franchise operation) in good standing and in accordance with applicable laws and regulations.

## **9.22 Guaranty**

Upon execution of this Agreement, your majority Owners (if you are a corporation or limited liability company), the General or Managing Partner (if you are a limited partnership) or the individual partners (if you are a standard partnership) shall each execute the Guaranty in the form annexed hereto as **Exhibit D** of all obligations hereunder, including those of payment of money.

## **9.23 Customer Satisfaction; Reviews; Reputation Management**

You must operate the Franchised Business at all times in compliance with the customer satisfaction, customer service, and reputation management standards established by us, as set forth in this Agreement, the Operations Manual, and the System standards, as each may be amended from time to time.

You must subscribe to, implement, and continuously participate in the customer review tracking, reputation management, and customer satisfaction monitoring services, software platforms, tools, and providers that we designate. You are solely responsible for ensuring uninterrupted access to such services, accurate configuration, proper use, and timely monitoring of all customer feedback and review data.

Customer satisfaction compliance will be determined exclusively by us based on customer reviews, ratings, and satisfaction metrics collected through the review platforms, channels, and measurement methods that we designate. Failure to meet the required thresholds for any calendar month constitutes automatic non-compliance, regardless of the reason for such failure, including factors outside your control.

You will be deemed in non-compliance if, for any calendar month, your customer satisfaction metrics fall below (a) an average rating of 4.5 out of 5 stars, and/or (b) a 90% positive customer satisfaction rating, as measured across the designated platforms.

For each calendar month of non-compliance, you must pay to us a customer review non-compliance fee of Two Hundred Fifty Dollars (\$250). If non-compliance continues for more than three (3) consecutive months, we may increase the non-compliance fee to a monthly amount not exceeding Seven Hundred Fifty Dollars (\$750) for each additional month of non-compliance. Non-compliance fees accrue automatically and are due without notice or demand.

Payment of any non-compliance fee does not excuse, cure, waive, or limit non-compliance. You must immediately implement any corrective actions we require, which may include additional training, staffing changes, revised operating procedures, customer outreach, or other remedial measures.

We may modify customer satisfaction standards, required thresholds, designated platforms, measurement methods, and corrective action requirements at any time on a System-wide basis. Our determination of compliance or non-compliance is final and binding and will not be subject to dispute, offset, or defense.

Repeated or sustained failure to meet customer satisfaction standards, or failure to participate in designated reputation management systems, constitutes a material breach of this

Agreement and may result in additional remedies, including termination, in addition to any non-compliance fees assessed.

#### **9.24 Forms of Payment**

You agree to accept the forms of payment that we designate as well as the credit card processing service that we designate.

#### **9.25 Privacy and Data Protection.**

You must: (i) comply with all applicable international, national, federal, provincial, state, or local laws, codes or regulations that regulate the processing of information that can be used (alone or when used in combination with other information you control) to identify, locate or contact an individual or pertains in any way to an identified or identifiable individual, including without limitation names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information (“**Personal Information**”) in any way, including, but not limited to, national data protection laws, laws regulating marketing communications and/or electronic communications, information security regulations and security breach notification rules (“**Privacy Laws**”); (ii) comply with all standards, specifications, requirements, criteria, and policies that have been and are in the future developed and compiled by us that relate to Privacy Laws and the privacy and security of Personal Information; (iii) implement all administrative, physical and technical safeguards necessary to protect any Personal Information; (iv) refrain from any action or inaction that could cause us to breach any Privacy Laws; (v) do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep you in compliance with the Privacy Laws; and (vi) immediately report to us the theft or loss of Personal Information (other than the Personal Information of your own officers, directors, Owners, employees or service providers). Without limiting the foregoing, you must comply with the Payment Card Industry Data Security Standard (commonly known as “PCI Compliance” or “PCI-DSS”), and any successor thereto. It is entirely your responsibility (even if we provide you any assistance or guidance in that regard) to confirm that the safeguards you use to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information.

### **ARTICLE 10 INSURANCE**

10.1 Prior to opening the Franchised Business for business, you must obtain the insurance coverages required by us under policies of insurance issued by carriers having an A.M. Best rating of “A” or better. Our then-current insurance requirements are contained in the Operations Manual and are subject to change during the term of this Agreement. You agree to comply with any modified insurance requirements. As of the Effective Date, you shall purchase and maintain the following: (1) comprehensive general liability insurance with minimum liability coverage of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate; (2) Workers’ Compensation or other employer’s liability insurance with minimum limits as follows: One Hundred Thousand Dollars (\$100,000) per accident, One Hundred Thousand Dollars (\$100,000) disease per person, and Five Hundred Thousand Dollars (\$500,000) disease policy limit. You must also have such other insurance as may be required by statute or rule in the state(s) in which the Franchised Business is located or operates; and (3) automobile liability coverage, including coverage of owned, non-owned and hired vehicles, of One Million Dollars

(\$1,000,000) combined single limit. You must maintain all required policies in force during the entire term of this Agreement and any renewals thereof. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us (and, if we so request, our directors, employees or owners) as additional insureds and must provide us with thirty (30) days' advance written notice of any material modification, cancellation, or expiration of the policy.

10.2 We recommend that you obtain the following additional coverages: (1) general casualty insurance including fire and extended coverage, vandalism, theft, burglary and malicious mischief insurance for the replacement value of the Franchised Business and its contents; and (2) an umbrella insurance policy.

10.3 Before the expiration of the term of each insurance policy, you must furnish us with a Certificate of Insurance for each policy to be maintained for the upcoming term, along with evidence of the payment of the premium for each. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of the required insurance coverage and the payment of the premiums for same, we may obtain, at our option and in addition to our other rights and remedies under this Agreement (including termination), any required insurance coverage on your behalf. If we do that, you agree to fully cooperate with us in our effort to obtain the insurance policies, promptly execute all forms or instruments required to obtain or maintain the insurance, allow any inspections of the Franchised Business which are required to obtain or maintain the insurance and pay to us, on demand, any costs and premiums we incur.

10.4 Your obligation to maintain insurance coverage, as described in this Agreement, will not be reduced in any manner by reason of any separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations under this Article 10.

10.5 We reserve the right to obtain from your insurance carrier(s) periodic reports of losses (such as monthly, quarterly and/or annually), and you shall authorize your insurance carrier(s) to provide us with such reports. We do not represent or warrant that any insurance that you are required to purchase, or which we procure on your behalf, will provide you adequate coverage. You should consult with your own insurance agents, brokers, attorneys or other insurance advisors to determine the level of insurance protection you need and desire, in addition to the coverage and limits required herein. Our review and verification of certain elements of your insurance does not in any way reduce or eliminate your obligations to fully comply with all insurance requirements. It is your sole obligation to fully comply with these insurance requirements and it is your sole obligation to confirm with your insurance providers that your policies are in compliance.

## **ARTICLE 11 ADVERTISING**

### **11.1 Approval by Us**

You shall use for your advertising and promotional activities only those materials, concepts and programs which have been furnished or approved in advance by us by specification in the Operations Manual or otherwise. You acknowledge that we may be one of, or the only, approved supplier for certain advertising and promotional materials and programs.

### **11.2 Local Advertising**

We do not require you to conduct ongoing local advertising. However, if more than fifty percent (50%) of your fleet is not in use for more than thirty (30) consecutive days, we may recommend that you invest at least five percent (5%) of gross revenues in approved local advertising strategies until utilization of your container fleet increases to more than seventy percent (70%) for two (2) consecutive months. Any such advertising expenditure is recommended only and is not mandatory. We are not required to spend any amount on advertising or promotion in your Authorized Service Area.

We may, from time to time, offer you approved local marketing plans and materials on the same terms and conditions as we are then offering to our other franchisees. Prior to their use by you, samples of all local marketing materials not prepared or previously approved by us shall be submitted to us for written approval. If you do not receive written or verbal approval within 30 days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional or marketing materials that we have disapproved. Advertising promotional or marketing materials which we must approve include any information on a web home page or otherwise on the Internet or through mobile applications.

Any and all advertising we approve for your use in your local market will become our property upon our approval and we may use this advertising for our own purposes. At our request you must include certain language in your local advertising, including "Franchises Available" and our website address and telephone number.

We exclusively own, control, and operate the official website(s) for the 1-800-JUNKPRO System. You must advertise your Franchised Business using the telephone number(s) and website address(es) that we specify. You have no right to create, operate, maintain, or control any website for the Franchised Business.

Upon our request, you shall provide us with verification of all expenditures for local advertising within thirty (30) days of such request.

### **11.3 Social Media Policy**

You shall strictly comply with our social media policy, as described in the Operations Manual and as it may be amended or updated from time to time, related to social and/or networking internet websites, mobile applications, and other online presence. You are not permitted to promote your Franchised Business or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, LinkedIn or Twitter, or through other online presence, without our prior written consent. We have the right to control all social media initiatives. You must comply with our System standards regarding the use of social media in your

Franchised Business's operation, including prohibitions on your and the Franchised Business's employees posting or blogging comments about the Franchised Business or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook and Instagram, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools and any other online presence). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

#### **11.4 Advisory Councils**

We reserve the right to develop one or more advisory councils for the System. If we form an advisory council, it will include our representatives and franchisee representatives. Franchisee representatives may be chosen by us or may be selected by other franchisees in the System. If you participate on an advisory council, you must pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings. Any council we establish will act in an advisory capacity only and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council at any time.

### **ARTICLE 12 REPORTING AND FINANCIAL MANAGEMENT REQUIREMENTS**

#### **12.1 Record Keeping**

You shall keep true and accurate records, including those which may be specified by us from time to time, from which all sums payable under this Agreement and the dates of accrual thereof may be readily determined. You shall keep such records on your business premises at all times, unless we permit them to be kept at another location. In any event, you shall at all times inform us of any change in the location of your said records. You shall be required to make all data and records available to us upon request. All data retrieved by us from you shall become our property. We reserve the right, in our sole discretion, to share your data, including but not limited to reports and performance information but excluding any personal data, with other franchisees in the System for purposes of comparison and development.

#### **12.2 Reporting Systems**

You agree to utilize such reporting and financial control systems as we may direct.

12.2.1 You shall maintain on forms approved or provided by us a monthly sales report and monthly profit and loss statement accurately reflecting the operations and condition of said business.

12.2.2 You shall employ such methods of filing, record-keeping, bookkeeping, accounting and reporting as we shall from time to time reasonably require.

12.2.3 You shall adopt and shall strictly adhere to such methods for control and protection of cash receipts (and of records pertaining thereto) as we may from time to time direct.

### **12.3 Reports: Records: System Access**

To enable us to calculate Fees, additional or optional fees, and other amounts due under this Agreement, and to monitor your progress and compliance with this Agreement and the System, in addition to reports otherwise required under this Agreement, you must provide us with written or electronic reports in such form and at such times as we may prescribe.

In addition, you must use the point-of-sale, accounting, operational, training, and reporting systems that we designate from time to time, including our online training platforms, intranet, and Operations Manual, and you must provide us, at all times, with online, view-only access to such systems and reports, including your QuickBooks Online account and JunkConnect, or any successor or replacement systems we may require.

#### **12.3.1 You shall be required to provide the following reports to us:**

(a) On or before 11:59 p.m. (local time) on the fourteenth (14th) day of each calendar month, you must review, update, and finalize all required data for the applicable reporting period. The data finalized as of that date will be deemed final and may be relied upon by us for calculating System Access Fees, additional or optional fees, and for operational review and compliance monitoring, as provided elsewhere in this Agreement.;

(b) On or before the 15<sup>th</sup> day after the end of your calendar year, a report of the advertising expenditures by your Franchised Business for the previous calendar year, including such detail as we may require and in the format we require;

(c) Within 60 days of the end of each calendar year, complete financial statements for your Franchised Business for the previous calendar year, including a Balance Sheet, Profit and Loss Statement (also known as an Income Statement or P&L Statement/Report), and Statement of Cash Flows (also known as a Cash Flow Statement or Statement of Changes in Financial Position), prepared on a calendar year basis, including such detail as we may require and in the format required by us;

(d) Yearly, within 30 days after filing with the appropriate local, state, and federal government agency, a copy of all tax returns filed; and

We reserve the right to require you to submit your reports at any frequency we choose, such as weekly, monthly, quarterly, etc.

12.3.2 Reports shall be deemed timely made if personally delivered to our offices, electronically transmitted to and received by us, or postmarked by the U.S. Postal Service (with proper first-class postage prepaid) on or before the required date.

12.3.3 You understand and acknowledge that we have the right to compile sales data regarding all 1-800-JUNKPRO Businesses in the System and to disclose such information to other franchisees in the System and in our Franchise Disclosure Document.

### **12.4 Audit**

We and our authorized representatives shall have the right at all times during the business day to enter your Franchised Business or any other location where books and records relative to the Franchised Business are kept, and to inspect, copy and audit such books and records,

including, without limitation, your state and federal income tax returns and state sales and use tax and personal property tax returns, and you hereby waive any privileges with regard to any tax returns. You shall cooperate completely and in good faith with such audit, and shall provide and explain all records requested by such auditor or necessary to provide information sought by such auditor.

12.4.1 If such audit or inspection discloses that you have underpaid any sums due us under this Agreement, you shall pay the same immediately together with interest on the understated amount as described in Section 8.12. If such audit or inspection reveals any overpayment by you, the amount thereof shall be credited against continuing fees next falling due.

12.4.2 If the audit is deemed necessary, in our opinion, due to your failure to provide required reports, or in the event that any such inspection or audit reveals an understatement of two percent (2%) or more relating to any amount reported or payable by you to us, you shall pay to us the understated amount together with applicable interest thereon and you shall, in addition, reimburse us for all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). These remedies shall be in addition to any other remedies we may have at law or in equity.

## **12.5 Correction of Errors**

You understand and agree that our receipt or acceptance of any of the statements furnished or System Access Fees and other fees paid to us (or the cashing of any checks or processing of any EFTs) shall not preclude us from questioning the correctness thereof at any time and, in the event that any inconsistencies or mistakes are discovered in such statements or payments, they shall immediately be rectified by you and the appropriate payment shall be made by you.

## **12.6 Authorization of Us**

You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with which you do business to disclose to us any requested financial information in their possession relating to you or the Franchised Business. You authorize us to disclose data from your reports if we determine, in our sole and absolute discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

# **ARTICLE 13 INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

## **13.1 Independent Parties**

It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that you are, and shall at all times be and remain, an independent contractor, and that nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

### **13.2 Independent Contractor**

During the term of this Agreement and any renewal hereof, you shall hold yourself out to the public as an independent contractor operating the business pursuant to a franchise granted by us. You shall take such affirmative action as may be necessary to indicate same, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Service Vehicle, business cards, and letterhead, the content of which we reserve the right to specify.

### **13.3 Indemnification by You**

You agree at all times to defend, at your own cost, and to indemnify and hold harmless to the fullest extent permitted by law, us, our corporate parent, the corporate subsidiaries, affiliates, successors, assigns, and designees of either entity and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each (we and all others hereinafter referred to collectively as "Indemnitees") from all losses and expenses (as hereinafter defined) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: your infringement or any other violation of any patent, trademark, copyright or other proprietary right owned or controlled by third parties; your violation or breach of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; libel, slander or any other form of defamation by you; your violation or breach of any warranty, representation, agreement, or obligation in this Agreement; any acts, errors, or omissions of yours or any of your agents, servants, employees, contractors, partners, proprietors, affiliates, or in any manner in connection with the Franchised Business; the inaccuracy, lack of authenticity, or non-disclosure of any information by you; any service provided by you at, from, or related to the operation at the Approved Location or from the Service Vehicle; or any services provided by any affiliated or non-affiliated participating entity. For the purpose of this Section, the term "losses and expenses" shall be deemed to include all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, attorneys' fees, experts' fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting, or replacing same, and any and all expenses of recall, refunds, compensation, public notices, and other such amounts incurred in connection with the matters described. You agree to give us notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. We reserve the right to assume the defense for such action, suit, proceeding, claim, demand, inquiry or investigation, at your expense. The foregoing indemnification shall not apply to losses or expenses arising from our gross negligence or willful acts.

13.3.1 At your expense and risk, we may elect to assume (but under no circumstance are obligated to undertake) the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation, provided that we will seek your advice and counsel and shall keep you informed with regard to any such proposed or contemplated settlement(s). Such an undertaking by us shall in no manner or form diminish your obligation to indemnify us and to hold us harmless.

13.3.2 All losses and expenses incurred under this Section 13.3 shall be chargeable to and paid by you pursuant to your obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity or defense.



13.3.3 The Indemnitees do not assume any liability whatsoever for acts, errors, or omissions of those with whom you may contract, regardless of the purpose. You shall hold harmless and indemnify the Indemnitees for all losses and expenses which may arise out of any acts, errors, or omissions of these third parties.

13.3.4 Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against you. You agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by the Indemnitees from you.

#### **13.4 Indemnification by Us**

We agree at all times to defend, at our own cost, and to indemnify and hold harmless to the fullest extent permitted by law you, your corporate parent, the corporate subsidiaries, affiliates, successors, assigns, and designees of either entity, and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each from all losses and expenses (as hereinafter defined) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: our infringement or any other violation of any patent, trademark, copyright or other proprietary right owned or controlled by third parties; our violation or breach of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; libel, slander, or any other form of defamation by us; our violation or breach of any warranty, representation, agreement, or obligation in this Agreement. For the purpose of this Section, the term "losses and expenses" shall be deemed to include all losses, compensatory, exemplary, or punitive damages, fines, charges, costs, expenses, lost profits, attorneys' fees, experts' fees, court costs, settlement amounts, judgments, compensation for damages to your reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting, or replacing same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described. We agree to give you notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. The foregoing indemnification shall not apply to losses or expenses arising from your gross negligence.

### **ARTICLE 14 CONFIDENTIAL INFORMATION**

14.1 You and your Owners shall not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation any confidential information or Know How concerning, among other things, customer identities and information, as well as the methods of operation of the Franchised Business hereunder which may be communicated to you, through the Manual or otherwise, or of which you may become apprised, by virtue of the operation of the Franchised Business at the Approved Location or from the Service Vehicle under this Agreement. You and your Owners shall divulge such confidential information only to such of your employees or officers and directors who must have access to it in order to operate the Franchised Business. Any and all information, knowledge and know how, including, without limitation, the materials, equipment, specifications, techniques, and other data which we designate as confidential shall be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention prior to disclosure thereof by us; or which, at the time of disclosure by us to you, had become a part of the public domain through publication or communication by others; or which,

after disclosure to you by us, becomes a part of the public domain through publication or communication by others. You agree that the use of confidential information or Know-How in connection with any generative, artificial intelligence tool or program is considered disclosure of such confidential information or Know-How and constitutes a breach of this Section. You agree that the entry, input, upload, submission, or other use or disclosure of any confidential information, or Know-How to or through any publicly accessible or third-party artificial intelligence system, large language model, machine learning platform, chatbot, or similar service, including, without limitation, ChatGPT, Microsoft Copilot, Google Gemini, Claude, Perplexity, and any similar or successor technologies, or any closed or private artificial intelligence system, large language model, machine learning platform, chatbot, or similar services the use of which we have not approved in express writing (collectively, "Unauthorized AI Tools"), whether accessed via website, application, plugin, or other means, is considered use and disclosure of such confidential information and Know-How and a material breach of this Agreement.

14.2 You will implement all reasonable procedures prescribed by us to prevent the unauthorized use and disclosure of confidential information and Know-How. Such reasonable measures will include training your Owner, managers, and employees with access to confidential information and Know-How to not enter, input, upload, submit, or otherwise use or disclose any confidential information or Know-How to or through any Unauthorized AI Tool. You shall require all personnel having access to any Know How or confidential information provided by us, or otherwise playing a role in the solicitation or provision of the Services or related services to customers, to execute covenants that they will maintain the confidentiality of information they received in connection with their employment or engagement by you, on a form of agreement acceptable to us. It is expressly understood that we are designated as a third party beneficiary of such covenants with the independent right to enforce them.

14.3 You and your Owners acknowledge that any actual or threatened failure to comply with the requirements of this Article 14 will cause us to suffer immediate and irreparable injury, non-compensable by the payment of mere money damages, permitting us with or without notice to seek immediate injunctive relief. You and your Owners agree to pay all court costs and reasonable attorneys' fees incurred by us when we seek to obtain specific performance or an injunction against violation of the requirements of this Article 14.

## **ARTICLE 15**

### **COVENANTS NOT TO COMPETE**

#### **15.1 In-Term Covenants**

You and each of your Owners specifically acknowledge that, pursuant to this Agreement, you and your Owners shall receive valuable training and confidential information, including, without limitation, information regarding the promotional, operational, sales, and marketing methods and techniques of us and the System, and that the covenants not to compete set forth below are fair and reasonable and will not impose any undue hardship on you or your Owners, since you and your Owners have other considerable skills, experience, and education which afford you and your Owners the opportunity to derive income from other endeavors. You, your Owners, directors, officers, members and managers each covenant not to, during the term of this Agreement, except as may be otherwise approved in writing by us, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

15.1.1 Divert or attempt to divert any business or customer of the Franchised Business hereunder to any competitor, by direct or indirect inducement or otherwise, or do or

perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

15.1.2 Knowingly employ or seek to employ any person who is at that time employed in a managerial position by us or by any other franchisee of ours, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment; or

15.1.3 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any business (including any business operated by you prior to entry into this Agreement) specializing, in whole or in part, in the activities conducted by you, and any other type of service which you may be authorized to render hereunder and sell any other products and services which you may be authorized to sell hereunder, or franchising or licensing others to operate a business specializing, in whole or in part, in the activities conducted by you, and any other type of service which you may be authorized to render hereunder and sell any other products and services which you may be authorized to sell hereunder (a "Competitive Business").

## **15.2 Post-Term Covenants**

You, your Owners, directors, officers, members and managers covenant that, except as otherwise approved in writing by us, not to, for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, or upon transfer of this Agreement or the Franchised Business pursuant to Article 16 hereof, and continuing for two (2) years thereafter (and in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any Competitive Business:

15.2.1 Within a radius of fifty (50) miles of your premises or Authorized Service Area; or

15.2.2 Within a radius of fifty (50) miles of the location of any business using the System and/or the Proprietary Marks, whether franchised or owned by us or our subsidiary or affiliated companies.

If you, your Owners, directors, officers, members or managers are in breach of this Section following the transfer, expiration or termination of this Agreement (including by continuing to operate the Franchised Business as a System location after the Agreement has expired or terminated), the period of duration for the obligation set forth herein will be tolled until the resolution of any enforcement action taken by us against you, your Owners, directors, officers, members or managers, to enforce this Section.

## **15.3 Unenforceability of Covenants**

The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article 15 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made part of this Article 15.

#### **15.4 Our Right to Amend**

You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in Sections 15.1 and 15.2 of this Agreement, or any portion thereof, without your written consent, effective immediately upon receipt by you of written notice thereof. You agree that you shall comply forthwith with any covenant as so modified, which will be fully enforceable notwithstanding the provisions of this Article 15.

#### **15.5 Existence of Claim**

You expressly agree that the existence of any claim that you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Article 15.

#### **15.6 Injunction**

You acknowledge that any threatened or actual failure to comply with the requirements of this Article 15 would cause us to suffer immediate and irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to the *ex parte* entry of an injunction prohibiting any conduct by you in violation of the terms of this Article 15. We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement, statute, common law or otherwise.

#### **15.7 Additional Covenants**

At our request, you shall require and obtain execution of covenants identical in scope to those set forth in this Article 15 (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons:

15.7.1 Any key persons employed by you who have received training from us;

15.7.2 All officers, directors and holders of a beneficial interest of five (5%) percent or more in you, and of any entity directly or indirectly controlling you, if you are a corporation or limited liability company;

15.7.3 The general partners and any limited partners (including any corporation or limited liability company, and the officers, directors, and holders of a beneficial interest of five (5%) percent or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if you are a partnership; and

15.7.4 Each covenant required to be executed pursuant to this Section 15.7 shall be on a form supplied by us, including, without limitation, specific identification of us as a third party beneficiary of such covenants with the independent right to enforce them. Your failure to obtain execution of a covenant required by this Section 15.7 shall constitute a default under Section 17.2 hereof. This section 15.7 only applies where permitted by applicable law.

### **ARTICLE 16 ASSIGNMENT AND RIGHT OF FIRST REFUSAL**

#### **16.1 Assignment by Us**

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "1-800-JUNKPRO, LLC" as Franchisor. Nothing contained in this Agreement shall require us to remain in the junk removal or dumpster rental business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

## **16.2 Assignment by You**

Neither your interest in this Agreement nor any of your rights or privileges hereunder, nor the Franchised Business nor any interest therein, may be assigned, transferred, shared or divided, voluntarily or involuntarily, directly or indirectly, without our prior written consent, which shall not be unreasonably withheld, and without your first complying with Section 16.2.1 hereof. (The use of the term "assignment" herein encompasses any actual or purported assignment, sale, transfer or other arrangement having the purpose or effect of shifting ownership or control interests in the Franchised Business.) Any actual or purported assignment of this Agreement or of the Franchised Business in violation of the terms hereof shall be null and void and shall constitute an incurable breach of this Agreement. The actual or purported transfer in the aggregate of more than fifty (50%) percent of the Franchised Business shall be deemed to be an "assignment" hereunder.

16.2.1 Our consent (such consent not to be unreasonably withheld) to any assignment is subject to the following conditions:

(a) The assignee must demonstrate that it has the skills, qualifications, licensing and economic resources necessary, in our judgment, to conduct the Franchised Business and to fulfill its obligations to you and to us.

(b) The assignee must expressly assume in writing all of your obligations under this Agreement.

(c) As of the date of any such assignment, you shall have fully complied with all of your obligations to us, whether under this Agreement or any other agreement, arrangement or understanding with us.

(d) The assignee must execute a new Franchise Agreement in the form and on the terms and conditions then being offered by us to franchisees (except that the assignee shall not be obligated to pay another Initial Franchise Fee). The term of such new Franchise Agreement shall expire on the expiration date of this Agreement.

(e) You shall pay us a transfer fee equal to Ten Thousand Dollars (\$10,000) for your entire Authorized Service Area, payable as follows: Two Thousand Five Hundred Dollars (\$2,500) is payable to us when you submit your request for approval of the proposed transfer, and Seven Thousand Five Hundred Dollars (\$7,500) is payable upon completion of the transfer.

(f) The assignee shall satisfactorily complete the training then required of all new franchisees.

(g) We shall be furnished copies of the executed contract between you and any such assignee and all related documentation, and we shall have approved of the sale terms.

(h) You must have executed a general release in a form satisfactory to us of any and all claims against us, our subsidiaries, affiliates, and designees, and our officers, directors, shareholders and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

(i) The assignee shall not be affiliated in any way with a competitor of ours.

16.2.2 Upon your death, or in the event you are determined to suffer any legal incapacity (or, if you are a corporation, limited liability company or partnership, then upon the death or legal incapacity of the shareholder, member or partner responsible for the operation of Franchised Business), the transfer of your interest to your heirs, legatees, personal representatives or conservators, surviving partner(s) or fellow shareholder(s), as applicable, shall not constitute an "assignment" hereunder and shall not give rise to our right of first refusal to purchase the Franchised Business as set forth in Section 16.5 hereof, if the following conditions are met:

(a) The heirs, legatees, personal representatives, conservators, surviving partner(s) or fellow shareholder(s), as applicable, meet our standards for qualification of new franchisees and agree in writing to be bound by the terms and conditions of this Agreement.

(b) Within six (6) months after your death or incapacity (or, if you are a corporation, limited liability company or a partnership, within six (6) months after the death or incapacity of the principal shareholder, member or partner responsible for the operation of the Franchised Business), a person designated by your heirs, legatees, personal representative(s), conservator(s), surviving partners or fellow shareholders or members, as applicable, shall have satisfactorily completed our then-current training requirements. If at the time of such death or incapacity you have employed a manager who has satisfactorily completed any version of our Training Program, this requirement shall be deemed satisfied.

(c) In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who

may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

### **16.3 Transfer to a Corporation or Limited Liability Company**

In the event you desire to transfer your interests herein to a corporation or limited liability company formed by you solely for the convenience of ownership, you must obtain our prior written consent, which consent shall be granted if:

16.3.1 You shall be the owner of all the voting stock of the corporation or all of the membership interests, as applicable, or, if you comprise more than one (1) individual, each such individual shall have the same proportionate ownership interest in the corporation or limited liability company as it held in Franchised Business prior to the contemplated transfer; and

16.3.2 Appropriate forms of corporate resolutions, minutes and/or consents, which have been duly adopted, are furnished to us prior to the transfer.

A transfer under this Section 16.3 may occur one (1) time only without payment of the aforementioned transfer fee, and it not subject to our right of first refusal, as described in Section 16.5.

### **16.4 Additional Principal**

You will pay us a transfer fee of Two Thousand Five Hundred Dollars (\$2,500) in connection with any transfer that is not subject to the transfer conditions set for in Section 16.2.1, if such transfer results in the transfer of any interest in this Agreement, any of your rights or privileges hereunder, or in the Franchised Business. Such transfers include, but are not limited to the addition of a new owner of you (if you are an entity), or the addition of an additional franchisee (if you are an individual).

### **16.5 Right of First Refusal**

Your right to assign, transfer or sell your interest in this Agreement (voluntarily or by operation of law) and/or the Franchised Business, as provided above, shall be subject to our right of first refusal with respect thereto. (We shall maintain the option of waiving this right in writing.) That is, we shall have the right to be offered by you the opportunity to purchase such interest in this Agreement and/or the Franchised Business on the terms and conditions which have been offered to and accepted by a third party in a wholly arms-length transaction. Our right of first refusal shall be exercised in the following manner:

16.5.1 You shall serve upon us a written notice setting forth all of the terms and conditions of the proposed assignment which shall specify the purchase price established by the parties and include reasonably complete information concerning the identity, financial standing and character of the proposed purchaser. You shall attach to such notice a copy of a binding agreement between you and the proposed purchaser, which agreement shall, however, be subject to cancellation if we exercise our right of first refusal hereunder or disapprove of the proposed transfer under Section 16.2.

16.5.2 Within thirty (30) days after our receipt of such notice (or, if we shall request additional information, within thirty (30) days after receipt of such additional information), we may,

at our option, purchase the Franchised Business upon the terms and conditions specified in the notice and the agreement attached thereto.

16.5.3 If we shall elect not to exercise our right of first refusal and shall consent to an assignment, you shall, subject to the provisions of this Article, be free to assign this Agreement and/or the Franchised Business to such proposed assignee on the terms and conditions specified in said notice and the agreement attached thereto. If, however, the terms of such agreement shall be materially modified after submission thereof to us, we shall have such right to evaluate such modified agreement for an additional thirty (30) days and, if we choose to do so, exercise our right of first refusal with respect thereto.

#### **16.6 Our Approval of Security Interest**

You shall not have the right to pledge, encumber, hypothecate or otherwise give any third party any security interest in this Agreement or in the Proprietary Properties or the Franchised Business in any manner whatsoever without our express written permission, which permission may be withheld for any reason.

### **ARTICLE 17 DEFAULT AND TERMINATION**

#### **17.1 Automatic Termination**

You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate upon receipt of notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, or the Franchised Business shall become insolvent; or if you shall make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by or against you or the Franchised Business and is not dismissed within sixty (60) days of the filing thereof; or if you or the Franchised Business is adjudicated as bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian of you or the Franchised Business or its assets is filed and consented to by you or the Franchised Business; or if a receiver or other permanent or temporary custodian of your assets or property, or any part thereof, or of the Franchised Business is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you or the Franchised Business; or if a final judgment against you or the Franchised Business remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); or if you are or the Franchised Business is dissolved; or if a suit to foreclose any lien or mortgage against you or the Franchised Business with respect to your or its personal, real or mixed property is instituted against you or the Franchised Business and is not dismissed within thirty (30) days from the date such suit is instituted; or if execution is levied against you or the Franchised Business or the property of either of them; or if the real or personal property of you or the Franchised Business shall be sold after levy thereupon by any sheriff, marshal or constable.

#### **17.2 Termination Without Right to Cure**

Upon the occurrence of any of the following events, you shall be deemed to be in default and we may, in our sole and exclusive discretion, terminate this Agreement and all rights granted hereunder without affording you any opportunity to cure the default. Termination under this Section shall be effective immediately upon the earlier of the occurrence of any of the following or receipt of notice by you:



17.2.1 If you abandon the Franchised Business by failing to operate such business for a period of ten (10) consecutive days, or any shorter period after which it is reasonable for us to conclude that you do not intend to continue to operate the Franchised Business, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond your reasonable control;

17.2.2 If you, or any Owner or shareholder, director or officer of a corporate or limited liability company franchisee, or any partner or officer of a franchisee conducting business as a partnership, are convicted of a felony, a fraud, a crime involving moral turpitude or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, or the goodwill associated therewith;

17.2.3 If you make any material misrepresentation relating to the creation, acquisition or operation of the Franchised Business or engage in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business, us or the System;

17.2.4 If a second (2<sup>nd</sup>) default by you occurs within any twelve (12) month period, notwithstanding that a prior default was cured;

17.2.5 If your default under this Agreement is by its very nature incapable of being cured;

17.2.6 If you fail to attend and successfully complete our Training Program;.

17.2.7 If you attempt, or if you complete, a transfer of the franchise without our prior consent as required under Article 16;

17.2.8 If you fail to comply with all applicable laws and ordinances relating to the Franchised Business, including Anti-Terrorism Laws, or if your or any of your Owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your Owners otherwise violate any such law, ordinance, or regulation; or

17.2.9 If you default under any lease for the Approved Location or any Service Vehicle or dumpster, and such default is not cured according to the terms of such lease(s).

### **17.3 Termination With Right to Cure**

Except as otherwise provided in this Agreement, you shall have either ten (10) or thirty (30) days after receipt from us of a written notice of termination in which to remedy any default hereunder (or, if the default cannot reasonably be cured within such ten (10) or thirty (30) day period, to initiate within that time substantial and continuing action to cure the default) and to provide evidence thereof to us. If any default is not cured within that time (or if substantial and continuing action to cure the default is not initiated within that time), or such other period as applicable law may require, this Agreement shall terminate without further notice to you effective immediately upon expiration of the applicable cure period, or such longer period as applicable law may require. Such defaults shall include, without limitation, the occurrence of any of the following events:

17.3.1 If you fail, refuse or neglect promptly to pay when due any monies owed to us (or our affiliates, subsidiaries or designees) or to your landlord or fail, refuse or neglect promptly

to submit financial or other information required by us under this Agreement, or make any false statements in connection therewith and do not correct such failure within ten (10) days;

17.3.2 If you fail to obtain our prior written approval or consent where the same is required pursuant to this Agreement and do not correct such failure within ten (10) days;

17.3.3 If you misuse, or use in an unauthorized manner, any of the Proprietary Marks, Know How, or Copyrights or materially impair the goodwill associated therewith or our rights therein and do not correct such default within ten (10) days;

17.3.4 If you engage in a pattern or practice of poor customer service, including repeated customer complaints, failure to respond to customer inquiries or service issues in a timely and professional manner, negative customer reviews or ratings that fall below System standards, or conduct that, in our reasonable judgment, materially harms or has the potential to harm the goodwill, reputation, or brand of the System;

17.3.5 If you participate in any business or in the marketing of any service or product under a name or mark which, in our opinion, is confusingly similar to any of the Proprietary Marks or if you (or any of your equity holders, directors, officers, partners or employees) acquire any interest in a Competitive Business, except that you or such other persons may own less than five percent (5%) of the shares of any company listed on any national or regional securities exchange or whose shares are traded through a recognized exchange and do not correct such default within ten (10) days;

17.3.6 If you violate or fail to comply with any state or federal law or ordinance that in any manner relates to or impacts upon the provision of or ability to provide junk removal, dumpster rental, or related services hereunder by you as an entity, or by any individuals who exercise any level of dominion or control over your operations, including, without limitation, a conviction based upon such a violation, allegation or charge of such violation without explanation that we shall deem to be reasonably satisfactory, or failure on your part to inform us of the existence of, threat of, charge or allegation of, or conviction of such violation, and do not correct such default within thirty (30) days;

17.3.7 If you violate any covenant not to compete set forth in Article 15 of this Agreement, following a thirty (30) day notice to cure;

17.3.8 If you fail to commence the operation of the Franchised Business within the time provided in this Agreement, following a thirty (30) day notice to cure;

17.3.9 If you fail or refuse to perform junk removal, dumpster rental, or related services for customers following a ten (10) day notice to cure;

17.3.10 If you fail to comply with any other provision or requirement of this Agreement or the Operations Manual following a thirty (30) day notice to cure.

#### **17.4 Cross-Defaults, Non-Exclusive Remedies, etc.**

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any

of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

#### **17.5 Amendment Pursuant to Applicable Law**

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination hereunder or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth herein do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation. We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination thereof.

#### **17.6 Our Right to Discontinue Services to You**

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 17, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your webpage on our website, until such time as you correct the breach.

### **ARTICLE 18 FURTHER OBLIGATIONS AND RIGHTS OF THE PARTIES UPON TERMINATION OR EXPIRATION**

#### **18.1 Discontinue Use of Proprietary Properties**

In the event of termination or expiration of this Agreement, you will wind down operations of the Franchised Business in an orderly manner, including completing or assigning for completion, in each case as we direct, any outstanding customer orders. The wind-down must be completed on or before the last day of the Term (in the case of expiration) or the last day of any notice period (in the event of termination). In the event of termination or expiration of this Agreement, you shall also forthwith discontinue the use of the Proprietary Marks, Know How, and Copyrights, and you shall not thereafter operate or do business under any name or in any manner that might tend to give the general public the impression that you are in any manner affiliated with us or a "1-800-JUNKPRO" business, or any business similar thereto, and you shall not thereafter

use, in any manner, or for any purpose, directly or indirectly, any of our confidential information, knowledge or know-how concerning the operation, products, services, trade secrets, procedures, policies, techniques or materials or by virtue of the relationship established by this Agreement, including, without limitation, the following:

18.1.1 Standards, specifications or descriptions of our products and services;

18.1.2 Our Operations Manual and any supplements thereto;

18.1.3 Any forms, advertising matter, marks, devices, signs, insignia, slogans or designs used from time to time in connection with the Franchised Business;

18.1.4 Any copyrights, trademarks, trade names and patents now or hereafter applied for or granted in connection therewith, or any marks, logos, words or phrases confusingly similar thereto or colorable imitations thereof;

18.1.5 Any telephone number listed in any telephone directory, online business listing, or marketing material, under the name "1-800-JUNKPRO" or any similar designation or directory listing, including your local operations phone number which relates to the Franchised Business; and

18.1.6 Any and all of the systems, procedures, techniques, criteria, concepts, designs, advertising and promotional techniques, products or service specifications, and all other components, specifications and standards which comprise (or in the future may comprise) part of the System.

## **18.2 Cancellation of Name**

Upon termination or expiration of this Agreement, you shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains any name or mark identical or similar to "1-800-JUNKPRO" or any other name, trademark or service mark of ours, and you shall furnish us with proof of discharge of this obligation within thirty (30) days following the termination or expiration of this Agreement.

## **18.3 We are Attorney-in-Fact**

We may, if you fail or refuse to do so, execute in your name and on your behalf any and all documents necessary to cause discontinuation of your use of the name "1-800-JUNKPRO" or any other related or similar name or use thereunder, and we are hereby irrevocably appointed by you as your attorney-in-fact to do so.

## **18.4 Continuation of Obligations**

The expiration or termination of this Agreement shall be without prejudice to our rights against you, and such expiration or termination shall not relieve you of any of your obligations to us existing at the time of expiration or termination or terminate those obligations of yours which by their nature survive the expiration or termination of this Agreement.

## **18.5 Cease Using Telephone Numbers and Listings**

Upon termination or expiration of this Agreement, you shall cease and desist from using the 1-800 telephone number and any and all other telephone number(s) used in connection with the Franchised Business, including any operations, manager, or service phone numbers, in any directory, online listing, advertising, or marketing materials, under the name "1-800-JUNKPRO" or any other name similar thereto and, upon our demand, shall direct the telephone company servicing the Franchised Business to transfer said telephone number(s) to us, or to such other person or persons at such location or locations as we shall direct. In addition, you shall cease and desist from using any website, domain name, URL or internet listing, and any mobile application related to the Proprietary Marks and shall direct the internet service provider servicing the Franchised Business to transfer said websites and listings to us, or to such other person or persons at such location or locations as we shall direct.

#### **18.6 Payment of Sums Due**

Upon termination or expiration of this Agreement, you shall promptly pay all sums owing to us (and our subsidiaries, affiliates or designees). In the event of termination based upon your default, such sums shall include all damages, costs and expenses (including actual attorneys' fees) incurred by us as a result of the default. The obligation created hereunder shall give rise to and remain, until paid in full, a lien in our favor against any and all of the personal property, furnishings, equipment, signs, inventory, fixtures or other assets owned by you at the time of default.

#### **18.7 Post-Term Covenants**

Upon termination or expiration of this Agreement, you shall comply with the post-term covenants not to compete set forth in Article 15 hereof.

#### **18.8 Our Right to Purchase**

Upon termination or expiration of this Agreement for any reason whatsoever, we or our designee shall have the option (but not the obligation) for a period of sixty (60) days from such termination or expiration to purchase all or a portion of your right, title and interest in the Franchised Business (including, without limitation, inventory and supplies) for a purchase price (the "Purchase Price") equal to the lesser of: (i) the depreciated book value of all tangible assets in place and owned by you as of the date of our (or our designee's) exercise of such option; or (ii) the fair market value of all such assets as determined by the application of generally accepted accounting principles less the total of (a) the amount of any indebtedness remaining against or secured by any such assets; (b) the amount of any indebtedness or obligation owed by you to us, our affiliates, subsidiaries or designees; (c) the amount of any indebtedness or obligation for which you or the Franchised Business are liable (directly or indirectly, contingently or otherwise) and for which we are or may become liable (directly or indirectly, contingently or otherwise) upon acquiring the Franchised Business or otherwise; and (d) all amounts advanced by us, or which we have paid, or which we have become obligated to pay, on your behalf for any reason whatsoever (including, without limitation, interim sums required to be advanced for operations prior to the date of our (or our designee's) exercise of the option granted hereunder).

18.8.1 If the parties cannot agree upon the Purchase Price within a reasonable time, an independent appraiser shall be designated by us, and his determination of the Purchase Price shall be binding on us and you. The cost of such appraisal shall be borne by you.

18.8.2 If we exercise our option to purchase the Franchised Business, the Purchase Price shall be payable as follows:

(a) Ten percent (10%) of the Purchase Price shall be paid at the closing of the purchase transaction by bank or certified check.

(b) The balance of the Purchase Price shall be paid over a period of three (3) years in thirty-six (36) equal monthly installments, the first monthly installment being made on the tenth (10th) day of the month following the month in which the initial payment is made. The obligation to make monthly installment payments shall be evidenced by a series of thirty-six (36) negotiable promissory notes of ours payable to the order of you, each bearing interest from the date of the closing at the published "Prime Rate" charged by Chase Manhattan Bank, New York, New York, to its most substantial commercial customers and containing provisions to the effect that should any note be unpaid for more than ten (10) days after written notice of default, the remaining notes shall forthwith become due and payable without any further notice; provided, however, that we or any holder in due course shall have the right at any time after the calendar year in which the closing takes place to prepay the notes in multiples of One Thousand Dollars (\$1,000) in inverse order of maturity, together with interest to the date of payment.

18.8.3 If we exercise our option to purchase the Franchised Business, you agree fully to cooperate in effectuating such transaction and undertakes to use your best efforts to provide us and our designees with all such data and documentation as reasonably may be required to give effect to the purposes of this Section.

18.8.4 In the event we do not elect to exercise the foregoing option to purchase the Franchised Business, you shall immediately return to us all materials which bear any of the Proprietary Marks, trade names or copyrighted material. You shall also destroy any and all materials not otherwise required to be returned to us in accordance with this Agreement or the Operations Manual. Contemporaneously, you shall return to us all copies in your possession of materials and documents (including, among other things, the Operations Manual, corporate records and files, correspondence, brochures, agreements, and disclosure statements) relating to the grant or operation of the Franchised Business.

## **18.9 Discontinue Use; Modification**

Upon expiration or termination, you shall immediately discontinue the use of each and every aspect of the Proprietary Properties, including the Proprietary Marks and trade dress, the custom designs on vehicles, advertisements, brochures, tee shirts, clothing, or any other article of commercial or other use, and Know How, and thereafter shall no longer use or have the rights to use the Proprietary Properties, or any colorable or confusingly similar variations thereof, or any word, logo or figure similar to the Proprietary Marks or Know How. In the event of expiration or termination, you will be responsible for the payment of all legal fees, court costs, collection fees and interest incurred in enforcing this Agreement. In the event of any litigation between the parties hereto with respect to the subject matter hereof, the party in any such litigation in whose favor a judgment is entered shall be entitled to have and recover, and the other party agrees to pay, its reasonable attorneys' fees and expenses, in addition to any award to which may be otherwise entitled. In addition, you understand and agree that you shall immediately repaint any and all Service Vehicles that show markings similar to, or that would cause confusion of the public as misrepresenting, any connection to us or the System.

## **18.10 Liquidated Damages**

Upon termination of this Agreement by us for cause, you agree to pay to us within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly System Access Fee you paid or owed to us during the twelve (12) months immediately preceding termination multiplied by (a) twenty-four (24), being the number of months in two (2) full years, or (b) the number of months remaining in the Agreement had it not been terminated, whichever is greater.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from the System Access Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the System Access Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages. The parties hereto further acknowledge and agree that this liquidated damages provision applies if we terminate this Agreement due to your willful non-compliance with the terms of and its obligations under this Agreement, your failure to cure a material default within the timeframes required herein, and your repeated, willful defaults of this Agreement.

The liquidated damages provision only covers our damages from the loss of cash flow from the System Access Fees. It does not cover any other damages, including damages to our reputation with the public and damages arising from a violation of any provision of this Agreement other than the System Access section. You and each of your Owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the System Access Fee section.

## **ARTICLE 19 MODIFICATION OF SYSTEM**

19.1 You understand and agree that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other market place variables, and if it is to best serve the interests of us, you, and the network of all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System, including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer; modifying or substituting entirely the building, premises, vehicles, equipment, signage, trade dress, decor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder; and changing, improving, modifying or substituting the Proprietary Properties. You expressly agree to comply with any such mandatory modifications, changes, additions, deletions, substitutions and alterations, whether temporary or permanent in nature; provided, however, that such changes shall not materially and unreasonably increase your obligations hereunder.

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

Notwithstanding the foregoing, you shall be obligated to replace your Service Vehicle as described in Section 9.5.

19.2 Except as provided herein, we shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, you expressly waive any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

## **ARTICLE 20 DISPUTE RESOLUTION**

### **20.1 Severability and Substitution of Valid Provisions**

Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, 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 in a proceeding to which we are a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto; otherwise upon your receipt of written notice of non-enforcement thereof from us. If any covenant herein which restricts competitive activity is deemed enforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof, you and we agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to enter into a successor franchise agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and we shall have the right, in our sole discretion, to modify such invalid or enforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Such modification(s) to this Agreement shall be effective only in such jurisdiction, unless we elect to give it greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions. You agree to be bound by any such modification to this Agreement.

### **20.2 Waiver of Obligations**

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal or neglect of us or you to exercise any rights under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar



or different nature, with respect to other 1-800-JUNKPRO Franchised Businesses; or our acceptance of any payments due from you after any breach of this Agreement.

Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (3) acts of God; (4) fires, strikes, embargoes, war or riot; or (5) any other similar event or cause. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes shall not excuse payments of amounts owed at the time of such occurrence or payment of System Access Fees, or other payments due thereafter.

### **20.3 Injunctive Relief**

Either party may institute in a court of competent jurisdiction an action or actions for temporary or preliminary injunctive relief. You agree that we may have such temporary or preliminary injunctive relief without bond, but upon due notice, and your sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

### **20.4 Rights of Parties are Cumulative**

Our and your rights hereunder are cumulative and no exercises or enforcement by us or you of any right or remedy hereunder shall preclude the exercise or enforcement by us or you of any other right or remedy hereunder or which we or you are entitled by law to enforce.

### **20.5 Costs and Attorneys' Fees**

If we incur expenses in connection with your failure to pay when due amounts to us, to submit when due any reports, information or supporting records or otherwise to comply with this Agreement, you shall reimburse us for any such costs and expenses which we incur, including but not limited to reasonable legal, arbitrators', accounting and related fees.

### **20.6 Litigation, Waiver of Jury Trial; Limitation of Damages, etc.**

The parties agree that any litigation between you and us (and/or involving any principal of yours or which could be brought by you or on your behalf and including matters involving any of our related entities or otherwise), whether involving any litigation, dispute, controversy, claim, proceeding or otherwise between or involving you and us or otherwise, will be held exclusively before a court in the most immediate provincial judicial district and court encompassing our headquarters and having subject matter jurisdiction, the parties consenting to the exclusive jurisdiction of such court(s) and WAIVING ALL RIGHTS TO TRIAL BY JURY. You irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such court.

THE PARTIES AGREE THAT IN ANY LITIGATION BETWEEN US AND YOU (AND/OR ANY PRINCIPAL OF YOURS OR WHICH COULD BE BROUGHT BY YOU OR ON YOUR BEHALF) THE PARTIES KNOWINGLY WAIVE ALL RIGHTS TO TRIAL BY JURY. IN ANY ARBITRATION, LITIGATION OR OTHERWISE, THE PARTIES WAIVE ALL RIGHTS TO PUNITIVE, EXEMPLARY, MULTIPLE, PAIN-AND-SUFFERING, MENTAL DISTRESS OR SIMILAR DAMAGES AND AGREE THAT THE PARTIES MAY ONLY RECOVER ACTUAL FINANCIAL LOSSES.

## **20.7 Governing Law**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the Franchise and the relationship of the parties shall be governed by the laws of the State of Kansas, without regard for its conflicts of laws principles., provided that nothing in this Section is intended by the parties to subject this Agreement to any franchise of similar law, rule or regulation of such state to which this Agreement would not otherwise be subject. If applicable law provides Franchisee with additional rights as to notices, opportunities to cure or otherwise than as are provided by this Agreement as to termination, renewal, transfers or otherwise, Franchisor will comply with the requirements of such laws to the extent they exceed Franchisor's obligations under this Agreement.

## **20.8 You May Not Withhold Payments**

You agree that you will not, on grounds of our alleged nonperformance of any of our obligations hereunder, withhold payment of any System Access Fees, amounts due to us for purchases by you or any other amounts due to us.

## **20.9 Binding Effect**

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Subject to our right to modify the Operations Manual, this Agreement shall not be modified except by written agreement signed by you and us.

## **20.10 Limitations of Claims**

20.10.1 The parties agree that, except as provided below, no action or suit (whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise) by either party will lie against the other (nor will any action or suit by you against any person and/or entity affiliated with us), whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other claim of any type, unless such party will have commenced such arbitration proceeding, action or suit before the expiration of the earlier of:

(a) One hundred eighty (180) days after the date upon which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or

(b) One (1) year after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

20.10.2 Notwithstanding the foregoing limitations, where any federal, state or provincial law provides for a shorter limitation period than above described, whether upon notice or otherwise, such shorter period will govern.

20.10.3 The foregoing limitations may, where brought into effect by our failure to commence an action within the time periods specified, operate to exclude our right to sue for damages but will in no case, even upon expiration or lapse of the periods specified or referenced above, operate to prevent us from terminating your rights and our obligations under this Agreement as provided herein and under applicable law nor prevent us from obtaining any appropriate court judgment, order or otherwise which enforces and/or is otherwise consistent with such termination.

20.10.4 The foregoing limitations shall not apply to our claims arising from or related to: (1) your under-payment or non-payment of any amounts owed to us or any affiliated or otherwise related entity; (2) indemnification by you; (3) your confidentiality, non-competition or other exclusive relationship obligations; and/or (5) your unauthorized use of the Proprietary Marks or the System.

## **20.11 Construction**

The preambles and exhibits are a part of this Agreement, which together with the Operations Manual, constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. The term “Franchisee” as used herein is applicable to one or more persons, a corporation, limited liability company or a partnership, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Franchisee hereunder, their obligations and liabilities to us shall be joint and several. References to “Franchisee” and “transferee” which are applicable to an individual or individuals shall mean the principal owner(s) of the equity or operating control of Franchisee or the transferee, if Franchisee or the transferee is a corporation, limited liability company or partnership. References to “controlling interest” in Franchise shall mean greater than fifty percent (50%) of the equity or voting control of Franchisee. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any action or request by you, we have the absolute right to refuse any request by you or to withhold our approval of any action by you that requires our approval. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

## **20.12 Withholding Consent**

In no event will you make any claim, whether directly, by way of setoff, counter-claim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by us.

## **ARTICLE 21 GENERAL PROVISIONS**

### **21.1 Relationship; Acknowledgments**

You and we agree that there does not exist any fiduciary, trust or similar relationship between you and us, that the relationship between you and us is a normal commercial relationship between independent businesspeople intended for mutual but independent economic benefit, and is not in any sense nor is intended to be a fiduciary, trust or similar relationship.

21.1.1 You acknowledge that you and each of your Owners (if you are a corporation, limited liability company or partnership) and investors have read this Agreement and our Disclosure Document and all exhibits, and that you and your Owners understand and accept the terms, conditions, and covenants contained in this Agreement as being necessary to maintain our high standards of quality and service and the uniformity of those standards at all "1-800-JUNKPRO" businesses and thereby to protect and preserve the goodwill of the Proprietary Marks and the System.

21.1.2 You and we, each agreeing on the critical practical business importance of their relationship being governed solely by written documents signed by you and us (including any concurrently executed written personal guarantees, Franchisee Disclosure Acknowledgment Statement, and/or exhibits, schedules, addenda, or other written documents signed by the party to be bound thereby, all of which will be deemed to be part of this Agreement for the purposes of this Section 21.1.2) and not wishing to create misunderstandings, confusion and possible conflict through reference to any alleged prior and/or contemporaneous oral and/or written representations, understandings, agreements or otherwise, jointly intend and agree that (i) this Agreement contains the final, complete and exclusive expression of the terms of the parties' agreement and entirely supersedes and replaces any and all prior and/or concurrent understandings, agreements, inducements, prior course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) between you and us, (ii) there are no prior and/or concurrent understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) which are not fully expressed in this Agreement, and (iii) no prior and/or concurrent understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) of any kind or nature whatsoever have been made by us or anyone else, nor have been relied upon by you nor will have any force or effect. We expressly disclaim any understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) which are not fully expressed in this Agreement. Nothing in this or any related agreement, however, is intended to disclaim the representations made by us in the Franchise Disclosure Document that was furnished to you by us.

21.1.3 You acknowledge and represent that you have not been promised, nor have we or any of our representatives, employees or agents made any promises, representations and/or warranties, nor have you received or relied on any promises, representations or warranties, that (i) any payments by you are refundable at your option, (ii) we will repurchase any rights granted hereunder (or any associated business) or will be able to assist you in any resale, (iii) you will succeed in the Franchised Business, (iv) you will achieve any particular sales, income or other

levels of performance, (v) you will have any exclusive rights of any type other than as specifically set forth herein, or (vi) you will receive any level of advertising (television or otherwise), marketing assistance, site location, development or other services, operational assistance or otherwise other than as expressly set forth in this Agreement. No contingency, condition, prerequisite, prior requirement, or otherwise (including, but not limited to, obtaining financing, obtaining a site or otherwise) exists with respect to you fully performing any or all of your obligations under this Agreement.

21.1.4 You have not received or relied on (nor have we or any of our representatives, employees or agents provided) any: sales, income or other projections of any kind or nature or any statements, representations, data, charts, tables, spreadsheets or mathematical calculations or otherwise which stated or suggested any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise, and neither we nor any of our representatives, employees or agents made, nor have you relied on, any promises, representations or warranties as to any profits you may realize in the operation of the Franchised Business, nor have you received or relied on any representations regarding any working capital or other funds necessary to reach any "break-even" or any other financial level. We are unable, and do not attempt, to predict, forecast or project future performance, revenues, profits or otherwise of any Franchised Business. If any such information, promises, representations and/or warranties has been provided to you, it should not be relied on, we will not be bound by it, and if you do rely on such information, promises, representations and/or warranties, you do so at your own risk.

21.1.5 You acknowledge and agree that the success of the business venture contemplated to be undertaken hereunder is speculative, is and will be dependent upon your personal efforts, that entry into any business enterprise is always associated with risk and that no assurance of success has been or can be given to you. You acknowledge and represent that you have entered into this Agreement and made an investment only after (i) making an independent investigation of the opportunity, including having received a list, in connection with the presentation of our Disclosure Document, of (and having spoken with) other franchisees currently operating "1-800-JUNKPRO" businesses (if applicable), and (ii) having had an opportunity to have this transaction and all related documents reviewed by an attorney and a financial advisor of your own choosing, such review having been strongly recommended by us. You acknowledge that you and each person signing as Franchisee (and/or having any investment and/or interest in the Franchised Business) have received, reviewed, understood and fully read and all questions have been answered regarding a copy of our Disclosure Document with all exhibits at least fourteen (14) calendar days prior to the earlier of your and/or any such person (a) signing any binding documents or (b) paying any sums.

21.1.6 You understand that we are relying on you to bring forward in writing at this time any matters inconsistent with any of the matters set forth in this Article 21 or otherwise so that we can correct any misunderstandings and you agree that if any of the statements or matters set forth in this Article 21 or otherwise are not true, correct and complete, you will make a written statement regarding such next to your signature below so that we may address and resolve any such issue(s) at this time and before either party goes forward.

21.1.7 You acknowledge and agree that in all of your dealings with us, our officers, directors, employees, and agents acted only in a representative capacity and not in an individual capacity. You further acknowledge that this Agreement, and all business dealings between you and such individuals as a result of this Agreement, are solely between you and us. You further

represent to us, as an inducement to our entry into this Agreement, that you have made no misrepresentations in obtaining the Franchised Business.

## **21.2 Authority of Your Representatives.**

If you are at any time a corporation, limited liability company, partnership or other business entity, you agree and represent that: (i) you have the authority to execute and deliver this Agreement and to perform its obligations thereunder and is duly organized or formed and validly existing in good standing under the laws of the state of its formation or organization; you're your organizational documents or operating or partnership agreement will at all times state that the issuance and transfer of the ownership interests in you are restricted by the terms and conditions of this Agreement, and all certificates and other documents representing an ownership interest in you will bear a legend referring to the restrictions of this Agreement in form and language satisfactory to us; (iii) the Owners and Owners' Acknowledgement exhibit to this Agreement will at all times completely and accurately describe all of your owners and their beneficial ownership interests in you; (iv) the Owners and Owners' Acknowledgement exhibit to this Agreement will at all times accurately set forth your Principal Owner who you agree is principally responsible for communicating and coordinating with us on your behalf, including regarding business, operational, and other ongoing matters concerning the Franchised Business. The Principal Owner has full authority to act on your behalf in regard to performing, administering, and amending this Agreement. You and your owners will sign and deliver to us such revised Owners and Owners' Acknowledgement exhibit as may be necessary to reflect any permitted changes in the information contained therein within five (5) days following the occurrence thereof and to furnish such other information about your organization or formation as we may request.

## **21.3 Notices**

Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein shall be in writing, signed by the party giving the same, and personally delivered, or delivered by overnight courier service (such as FedEx or UPS), or deposited in the United States mail, first-class postage prepaid, certified mail, return receipt requested, or electronically (with a confirming copy mailed or sent by overnight courier service, if sent only electronically) as follows:

To Us: 1-800-JUNKPRO, LLC  
608 South Ramsey Drive  
Valley Center, Kansas 67147  
email: headquarters@junk.pro

To You: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
email: \_\_\_\_\_

Any notice so given or made shall be deemed to have been given or made and received on the earlier of (i) the day of actual receipt or (ii) one (1) business day after electronic transmission or by overnight courier service, as the case may be, or (iii) on the third (3rd) business day following the day of mailing of the same by certified mail. Either party may change its address for notice purposes by giving the other party written notice, as herein provided, of such change.

#### **21.4 Gender**

Reference to Franchisee as male, female, or no gender shall include male or female franchisee, general or limited partnership, joint venture, corporation, trust, or any other association or business entity, as relevant in the context.

#### **21.5 Headings**

Headings and captions contained herein are for convenience of reference only and shall not be taken into account in construing or interpreting this Agreement.

#### **21.6 References**

Any reference herein to any paragraph or other part of this Agreement shall be deemed to include a reference to every subordinate part and/or subparagraph thereof.

#### **21.7 Time of the Essence**

It is acknowledged and agreed by both parties that any delay in the performance of its obligations hereunder would irreparably and irrevocably injure the other party in the conduct of its business and the value of its property. The parties therefore agree that time is of the essence of this Agreement. Except as otherwise specifically permitted herein, no extension of time shall be implied, nor any delay allowed, in the timely and complete performance of all covenants herein contained.

#### **21.8 Survival of Terms**

Each provision of this Article 21 and those provisions hereinabove provided relating to covenants against post-termination/expiration use of the Proprietary Marks, Know How, Copyrights and software will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of it) for any reason, will survive and will govern any claim for rescission or otherwise. Each provision of this Agreement will be construed as independent of, and severable from, every other provision; provided that if any part of this Agreement is deemed unlawful in any way, the parties agree that such provision will be deemed interpreted and/or modified to the minimum extent necessary to make such provision lawful or, if such construction is not permitted or available, the remainder of this Agreement will continue in full force and effect. Each party reserves the right to challenge any law, rule or judicial or other construction which would have the effect of varying or rendering ineffective any provision of this Agreement.

#### **21.9 Operation in the Event of Absence or Disability**

In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable

compensation and expenses for our representative, as well as a fee of Five Hundred Dollars (\$500) per day, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

#### **21.10 Step-In Rights**

If we determine in our sole judgment that the operation of the Franchised Business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, you authorize us to operate your business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your Business; or we determine that operational problems require that Franchisor operate Franchisee's Business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the Franchised Business as a going concern.

We shall keep in a separate account all monies generated by the operation of your Business, less the expenses of the Franchised Business, including reasonable compensation and expenses for our representatives. As of the Effective Date, we charge a fee of Five Hundred Dollars (\$500) per day, in addition to expenses, as compensation for operation of your Business. In the event of our exercise of the Step-In Rights, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

#### **21.11 Business Judgment**

We retain the right to operate, develop and change the System and the products and services offered by Franchised Businesses in any manner that is not specifically prohibited in this Agreement. Whenever we have reserved the right in this Agreement to take or refrain from taking any action, or to prohibit you from taking or refraining from any action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on the information then readily available to us and on our judgment of what is in our best interests, the best interests of our affiliates and/or the best interests of Franchised Businesses as a whole at the time the decision is made, regardless of whether we could have made other reasonable, or even arguably preferable, alternative decisions and regardless of whether our decision or action promotes our interests, those of our affiliates or any other person or entity.

### **ARTICLE 22 SECURITY INTEREST**

#### **22.1 Collateral**

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Business, together with all similar property now owned or hereafter



acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Business. All items in which a security interest is granted are referred to as the "Collateral".

## **22.2 Indebtedness Secured**

The Security Interest is to secure payment of the following (the "Indebtedness"):

22.2.1 All amounts due under this Agreement or otherwise by you;

22.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

22.2.3 All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

22.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

22.2.5 Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Business, including, but not limited to, a real property mortgage and equipment leases.

## **22.3 Additional Documents**

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

## **22.4 Possession of Collateral**

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

## **22.5 Our Remedies in Event of Default**

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Kansas (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

## **22.6 Special Filing as Financing Statement**

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

## **ARTICLE 23 SUBMISSION OF AGREEMENT**

The submission of this Franchise Agreement to you does not itself constitute an offer to sell a franchise. This Franchise Agreement shall become effective only upon the execution thereof by us and you.

I HAVE READ THE FOREGOING AGREEMENT AND I HEREBY AGREE TO AND ACCEPT EACH AND ALL OF THE PROVISIONS.

[SIGNATURES ON FOLLOWING PAGE]

**ACCEPTED FOR:**

**1-800-JUNKPRO, LLC**

By: \_\_\_\_\_  
Mike Davis, CEO and President

\_\_\_\_\_  
Franchisee

**By:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

Its: \_\_\_\_\_  
(Title)

### **Owners and Owners' Acknowledgment**

Each following party is and Owner, as such term is defined in the Franchise Agreement.

#### **Owners of Franchisee**

| <b><u>NAME OF OWNER</u></b> | <b><u>VOTING<br/>RIGHTS IN<br/>FRANCHISEE</u></b> | <b><u>BENEFICIAL<br/>INTEREST IN<br/>FRANCHISEE</u></b> |
|-----------------------------|---------------------------------------------------|---------------------------------------------------------|
| _____                       | _____                                             | _____                                                   |
| _____                       | _____                                             | _____                                                   |
| _____                       | _____                                             | _____                                                   |
| _____                       | _____                                             | _____                                                   |
| _____                       | _____                                             | _____                                                   |
| <b><u>TOTAL</u></b>         | <b><u>100%</u></b>                                | <b><u>100%</u></b>                                      |

The Principal Owner, as such term is defined in the Franchise Agreement is:

#### **PRINCIPAL OWNER**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail: \_\_\_\_\_

Telephone: \_\_\_\_\_

**Owners and Owners' Acknowledgment, continued**

Each Owner has certain rights and/or duties as your Owner. Each following party is signing this Acknowledgment, not as a party, but only to the extent necessary to indicate their acceptance of, and agreement to be bound by, the specific rights and duties of an Owner mentioned in this Agreement.

**[If you are an individual Owner, please sign on the right. If Franchisee is owned by another entity, please sign on behalf of that entity on the left and also for yourself individually on the right.]**

Owner:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Owner:

\_\_\_\_\_

Print name: \_\_\_\_\_

Owner:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Owner:

\_\_\_\_\_

Print name: \_\_\_\_\_

**Exhibit A to the  
1-800-JUNKPRO, LLC Franchise Agreement**

**APPROVED LOCATION; AUTHORIZED SERVICE AREA; SERVICES; EQUIPMENT  
REQUIREMENTS**

The Franchised Business is authorized to offer the following services (check all that apply):

- ☐ Dumpster Rental Service
- ☐ Junk Removal and Labor Services

You may commence operations offering one or both of the approved services. If you do not commence operations offering both services, you are not required to add the other service. You may elect, at a later date, to add an additional service, subject to our prior written approval and compliance with then-current System standards and equipment requirements.

The Approved Location for the Franchised Business is:

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The Approved Location may be a home-based office or other location approved by us in writing. You may not relocate or materially change the nature of the Approved Location without our prior written approval.

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The Authorized Service Area consists of the following Territory or Territories:

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Each Territory generally consists of a population of approximately 100,000 people, although actual population size may vary based on geographic, demographic, and market considerations, as determined by us in our discretion.

Unless otherwise approved by us in writing, you may operate up to ten (10) Territories from a single Approved Location. We may require you to establish an additional Approved Location or operational base if you seek to operate more than ten (10) Territories, unless we approve otherwise.

Additional Territories may be purchased during the term of the Franchise Agreement if available and subject to our then-current standards, qualifications, and fees.

Unless we approve otherwise in writing, you must commence operations of the Franchised Business with a minimum of one (1) truck and thirty (30) dumpsters that meet System standards.

If you are approved to commence operations offering Junk Removal and Labor Services, you must also commence operations with a minimum of one (1) junk body that meets System standards.

During the term of the Franchise Agreement, you may be required to add vehicles, dumpsters, junk bodies, or other equipment as reasonably necessary to meet customer demand, maintain service levels, and comply with System standards.

We may establish reasonable minimum fleet, inventory, or capacity requirements based on factors including, without limitation, volume, utilization, service response times, customer service performance, and operational efficiency. All such requirements may be modified from time to time and will be set forth in the Operations Manual or otherwise communicated to you in writing.

Our approval of the Approved Location, Authorized Service Area, approved services, or equipment requirements does not constitute a representation, warranty, or guarantee regarding the suitability, performance, or success of the Franchised Business.

**During the term of the Franchise Agreement, you may have to recondition or replace equipment:**

All trucks and dumpsters in your fleet must remain in good working condition and meet our requirements for appearance while they are in service.

Trucks and dumpsters may have to be reconditioned (incl. new paint and decals) periodically if the normal cleaning and maintenance is not enough to meet the system requirements (appearance and safety standards) outlined in the operations manual.

Each truck must be replaced when reconditioning the truck will not bring the truck up to appearance and safety standards.

When trading, selling, or disposing of a vehicle without a junk body, the cab and chassis may be traded in to a dealership or sold to anyone, but any junk truck body (installed on a truck or separate from a truck) must be traded or sold to other 1-800-JUNKPRO franchisees, us or our affiliates, or destroyed (cut into pieces no larger than 36"x 36"x 36") and recycled.

Each dumpster must be replaced when reconditioning the dumpster will not bring the dumpster up to appearance and safety standards.

You may add additional service vehicles to better serve your customers with our advance written consent, which we will not unreasonably withhold. You must provide any information that we request to assist us in making our determination.

1-800-JUNKPRO, LLC

FRANCHISEE

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit B to the  
1-800-JUNKPRO, LLC Franchise Agreement**

**INTERNET WEB SITES AND LISTINGS AGREEMENT**

**THIS INTERNET WEB SITES AND LISTINGS AGREEMENT** (the "Internet Listing Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date"), by and between 1-800-JUNKPRO, LLC, a Delaware limited liability company (the "Franchisor"), and \_\_\_\_\_, a \_\_\_\_\_ (the "Franchisee").

**WITNESSETH:**

**WHEREAS**, Franchisee desires to enter into a Franchise Agreement with Franchisor for a 1-800-JUNKPRO business (the "Franchise Agreement"); and

**WHEREAS**, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement;

**NOW, THEREFORE**, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**1. DEFINITIONS**

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

**2. TRANSFER; APPOINTMENT**

2.1 Interest in Internet Web Sites, Listings, Accounts, and Mobile Applications. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the "Internet Web Sites and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Internet Web Sites and Listings: (i) to transfer all of Franchisee's Interest in such Internet Web Sites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings,



Franchisee will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor;

2.3.2 Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings; and

2.3.3 Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement.

### **3. MISCELLANEOUS**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Internet Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Internet Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

3.9 Governing Law. This Internet Listing Agreement shall be governed by and construed under the laws of the State of Kansas, without regard to the application of Kansas conflict of law rules.

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

1-800-JUNKPRO, LLC

FRANCHISEE

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit C to the  
1-800-JUNKPRO, LLC Franchise Agreement**

**TELEPHONE LISTINGS AGREEMENT**

**THIS TELEPHONE LISTINGS AGREEMENT** (the "Telephone Listing Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date"), by and between 1-800-JUNKPRO, LLC, a Delaware limited liability company (the "Franchisor"), and \_\_\_\_\_, a \_\_\_\_\_ (the "Franchisee").

**W I T N E S S E T H:**

**WHEREAS**, Franchisee desires to enter into a Franchise Agreement with Franchisor for a 1-800-JUNKPRO business (the "Franchise Agreement"); and

**WHEREAS**, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

**NOW, THEREFORE**, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

**1. DEFINITIONS**

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

**2. TRANSFER; APPOINTMENT**

2.1 Interest in Telephone Numbers and Listings. Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the "Telephone Numbers and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has or has used in connection with the Franchised Business Telephone Numbers and Listings, including without limitation any operations manager phone number, office phone number, or other local business telephone number, to: (i) transfer all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone

Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement.

### **3. MISCELLANEOUS**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Telephone Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several.

3.9 Governing Law. This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Kansas, without regard to the application of Kansas conflict of law rules.

The parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

1-800-JUNKPRO, LLC

FRANCHISEE

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit D to the  
1-800-JUNKPRO, LLC Franchise Agreement**

**GUARANTY**

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement, and any revisions, modifications and amendments thereto (hereinafter collectively the "Agreement") dated \_\_\_\_\_, 20\_\_\_\_, by and between 1-800-JUNKPRO, LLC, a Delaware limited liability company (hereinafter the "Franchisor"), and \_\_\_\_\_, a \_\_\_\_\_[limited liability company/corporation] (hereinafter the "Franchisee"), each of the undersigned Guarantors agrees as follows:

1. The Guarantors do hereby jointly and severally unconditionally guaranty the full, prompt and complete performance of the Franchisee under the terms, covenants and conditions of the Agreement, including, without limitation, the complete and prompt payment of all indebtedness to the Franchisor under the Agreement. The word "indebtedness" is used herein in its most comprehensive sense and includes, without limitation, any and all advances, debts, obligations and liabilities of the Franchisee, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable.

2. The obligations of the Guarantors are independent of the obligations of the Franchisee and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against the Franchisee or whether the Franchisee is joined in any such action.

3. If the Franchisee is a corporation, partnership or limited liability company, the Franchisor shall not be obligated to inquire into the power or authority of the Franchisee or its partners or the officers, directors, agents, members or managers acting or purporting to act on the Franchisee's behalf and any obligation or indebtedness made or created in reliance upon the exercise of such power and authority shall be guaranteed hereunder. Where the Guarantors are corporations or partnerships, it shall be conclusively presumed that the Guarantors and the partners, agents, officers and directors acting on their behalf have the express authority to bind such corporations or partnerships and that such corporations or partnerships have the express power to act as the Guarantors pursuant to this Guaranty and that such action directly promotes the business and is in the interest of such corporations or partnerships.

4. The Franchisor, its successors and assigns, may from time to time, without notice to the undersigned: (a) resort to the undersigned for payment of any of the indebtedness, whether or not it or its successors have resorted to any property securing any of the indebtedness or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the indebtedness; (b) release or compromise any indebtedness of any of the undersigned hereunder or any indebtedness of any party or parties primarily or secondarily liable on any of the indebtedness; (c) extend, renew or credit any of the indebtedness for any period (whether or not longer than the original period); (d) alter, amend or exchange any of the indebtedness; or (e) give any other form of indulgence, whether under the Agreement or otherwise.

5. The undersigned further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities



under the Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between the Franchisee and the Franchisor resulting from the Agreement or otherwise, and the settlement, compromise or adjustment thereof.

6. This Guaranty shall be enforceable by and against the respective administrators, executors, successors and assigns of the Guarantors and the death of any Guarantor shall not terminate the liability Guarantor or limit the liability of the other Guarantors hereunder.

7. If more than one person has executed this Guaranty, the term the "undersigned" as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

**IN WITNESS WHEREOF**, each of the undersigned has executed this Guaranty under seal effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature of Guarantor

\_\_\_\_\_  
Signature of Guarantor

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Home Address

\_\_\_\_\_  
Home Address

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

### **SPOUSAL CONSENT**

The undersigned spouse of Guarantor hereby consents to the execution of the foregoing Guaranty by their spouse and agrees to be bound thereby to the extent of their interest in any assets or property of Guarantor and further agrees that their community assets shall be bound thereby. This consent shall not be construed as an agreement by the undersigned spouse that such spouse's separate property is subject to the claims of Franchisor arising out of enforcement of this Guaranty.

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Signature of Spouse

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Print or Type Name

**Exhibit E to the  
1-800-JUNKPRO, LLC Franchise Agreement**

**STATE ADDENDA**

**MULTI-STATE AMENDMENT  
TO FRANCHISE AGREEMENT  
(FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI)**

This Amendment pertains to franchises sold in the states that have adopted as law the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements (the "SOP") and is for the purpose of complying with the statutes and regulations of such states. Signing this Amendment where the SOP, because applicable jurisdictional requirements are not met, does not apply, does not subject the parties to the provisions of the SOP. Subject to the foregoing, notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated \_\_\_\_\_, 20\_\_, will be amended as follows:

1. The following language is added immediately before the signature block of the Franchise Agreement:

"No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

2. To the extent inconsistent with the SOP, any portions of Sections 21.1.3, 21.1.4, 21.1.5 and 21.1.6 are deleted from the Franchise Agreement, and if any such Section is deleted in its entirety, it is replaced with "[Intentionally Omitted.]"

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:  
1-800-JUNKPRO, LLC

Franchisee:

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**ILLINOIS AMENDMENT  
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Illinois that are subject to the Illinois Franchise Disclosure Act (the "Act") and is for the purpose of complying with Illinois statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_, hereby agree that the Franchise Agreement will be amended as follows:

1. Illinois law shall supersede any provisions of the Franchise Agreement or Kansas law which are in conflict with the law.

2. Nothing in Section 20.7 of the Franchise Agreement waives any rights Franchisee may have under Section 41 of the Illinois Franchise Disclosure Act of 1987, which provides:

"Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

1. Section 20.6 of the Franchise Agreement is amended to provide that venue shall be in an appropriate Illinois court of general jurisdiction or United States District Court in Illinois.

Dated: \_\_\_\_\_

Franchisor:

Franchisee:

1-800-JUNKPRO, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

## **MARYLAND AMENDMENT TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Maryland that are subject to the Maryland Franchise Registration and Disclosure Law (the "Franchise Law") and is for the purpose of complying with Maryland statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Franchise Law are not met does not subject the parties to the provisions of the Franchise Law. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_, will be amended as follows:

1. The following language is added to Section 4.3.5 of the Franchise Agreement dealing with "Renewal":

"Notwithstanding the foregoing, the general release provisions shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

2. The following language is added to Section 16.2.1(h) of the Franchise Agreement dealing with "Assignment by You":

"Notwithstanding the foregoing, the general release provisions shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

4. The following language is added to the end of Section 20.6 of the Franchise Agreement dealing with venue:

"You may bring a lawsuit in Maryland for claims arising out of the Maryland Franchise Registration and Disclosure Law."

5. The following language is added to the end of Section 20.10.2 of the Franchise Agreement dealing with the statute of limitations:

"All claims arising under the Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years after the grant of the franchise."

6. Section 20.11, dealing with the entirety of the Franchise Agreement and the Franchisee Disclosure Questionnaire are amended to state:

"Representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

1-800-JUNKPRO, LLC

Franchisee:

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

## MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Minnesota that are subject to the Minnesota Franchise Act (Minn. Stat. Sec. 80C.1 et seq., the "Act") and is for the purpose of complying with Minnesota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_, hereby agree that the Franchise Agreement will be amended as follows:

1. MINN. STAT. SECTION 80C.21 and MINNESOTA RULES 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in MINN. STAT. CHAPTER 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with MINN. STAT. SECTION 80C.14 SUBD. 3-5, which require (except in certain specified cases)
  - (i) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice' for non-renewal of the franchise agreement and
  - (ii) that consent to the transfer of the franchise will not be unreasonably withheld.
3. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to MINN. STAT. SECTION 80C.12 SUBD. 1(G). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.
4. MINNESOTA RULES 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See MINNESOTA RULES 2860.4400(J) also, a court will determine if a bond is required.
6. The Limitations of Claims section must comply with MINN. STAT. SECTION 80C.17 SUBD. 5.



IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Franchise Agreement as of the day and year set forth above.

Franchisor:

Franchisee:

1-800-JUNKPRO, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

**NEW YORK AMENDMENT  
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of New York that are subject to the New York Franchise Act (New York State General Business Law, Article 33, Sec. 680 et seq., the "Act") and is for the purpose of complying with New York statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_, hereby agree that the Franchise Agreement will be amended as follows:

1. Franchisor and Franchisee are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Amendment. This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because: (a) you are a resident of the State of New York and your franchise will operate in New York; and/or (b) the offer or sale of the franchise occurred in New York.

2. The following is added as a new Section 17.7 of the Franchise Agreement:

"You may terminate this Agreement upon any grounds available at law."

3. The following is added to Section 20.7 of the Franchise Agreement:

"This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law and the regulations issued thereunder."

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the day and year first above written.

Franchisor:

Franchisee:

1-800-JUNKPRO, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

## **NORTH DAKOTA AMENDMENT TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of North Dakota that are subject to the North Dakota Franchise Investment Law (the "Act") and is for the purpose of complying with North Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_, hereby agree that the Franchise Agreement will be amended as follows:

1. Articles 4 and 16 of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Article 15 of the Franchise Agreement are amended accordingly.

3. Article 18 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Article 20 of the Franchise Agreement which require jurisdiction of courts in Kansas are deleted.

5. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or Kansas law if such provisions are in conflict with North Dakota law.

6. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

7. The provisions of Article 20 of the Franchise Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

8. The provisions of Article 20 of the Franchise Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

*[Signature page follows]*

Dated: \_\_\_\_\_

Franchisor:

1-800-JUNKPRO, LLC

Franchisee:

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

**RHODE ISLAND AMENDMENT  
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Rhode Island that are subject to the Rhode Island Franchise Investment Act (the "Act") and is for the purpose of complying with Rhode Island statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated \_\_\_\_\_, \_\_\_\_ hereby agree that the Franchise Agreement will be amended as follows:

1. Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Dated: \_\_\_\_\_, \_\_\_\_\_.

Franchisor:

Franchisee:

1-800-JUNKPRO, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

## VIRGINIA AMENDMENT TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Virginia that are subject to the Virginia Retail Franchising Act (the "Act") and is for the purpose of complying with Virginia statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated \_\_\_\_\_, \_\_\_\_ hereby agree that the Franchise Agreement will be amended as follows:

1. Article 17 of the Franchise Agreement is amended by adding the following language:

"§13.1-564 of the Virginia Retail Franchising Act provides that it is unlawful for a franchisor to cancel a franchise without reasonable cause."

2. Section 20.7 of the Franchise Agreement is amended by adding the following language:

"Subsection D of § 13.1-559 of the Virginia Retail Franchising Act provides that, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia."

3. Section 15.2 of the Franchise Agreement is amended by adding the following language:

"Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act provides that it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale."

Dated: \_\_\_\_\_, \_\_\_\_\_.

Franchisor:

Franchisee:

1-800-JUNKPRO, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

## **WASHINGTON AMENDMENT TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Washington that are subject to the Washington Franchise Investment Protection Act (the "Act") and is for the purpose of complying with Washington statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated \_\_\_\_\_, \_\_\_\_ hereby agree that the Franchise Agreement will be amended as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your license.

2. In the event of a conflict of law, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

3. A release or waiver of rights executed by a Franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

4. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

5. The undersigned hereby acknowledges receipt of this amendment.

*[Signature page follows]*



Dated: \_\_\_\_\_, \_\_\_\_\_.

Franchisor:

Franchisee:

1-800-JUNKPRO, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

**Exhibit F to the  
1-800-JUNKPRO, LLC Franchise Agreement**

**GENERAL RELEASE**

THIS AGREEMENT ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between 1-800-JUNKPRO, LLC, a Delaware limited liability company having its principal place of business located at 608 South Ramsey Drive, Valley Center, Kansas 67147 (the "Franchisor"), and \_\_\_\_\_, a \_\_\_\_\_ with a principal address at \_\_\_\_\_ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. Release by Releasor:

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Kansas law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Kansas.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

FRANCHISEE

\_\_\_\_\_

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

1-800-JUNKPRO, LLC

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit G to the  
1-800-JUNKPRO, LLC Franchise Agreement**

**AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS**

\_\_\_\_\_  
(Legal Entity)

\_\_\_\_\_  
(EIN (Employer ID Number))

The undersigned depositor ("**Depositor**") hereby authorizes 1-800-JUNKPRO, LLC ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") ("**Bank**") to debit or credit such account(s) pursuant to Franchisor's instructions.

\_\_\_\_\_  
Depository (Bank Name)

\_\_\_\_\_  
Branch

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
Bank Routing and Transit/ABA Number

\_\_\_\_\_  
Account Number

This authorization is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

\_\_\_\_\_  
Depositor (Legal Entity)

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_

**Exhibit H to the  
1-800-JUNKPRO, LLC Franchise Agreement**

**TRANSFER OF FRANCHISE TO A  
CORPORATION OR LIMITED LIABILITY COMPANY**

This Transfer Agreement hereby amends that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ between 1-800-JUNKPRO, LLC ("Franchisor") and \_\_\_\_\_ ("Franchisee").

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below and the Franchisee of the 1-800-JUNKPRO Business under a Franchise Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate at the location set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Franchisee constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the Corporation, or Limited Liability Company in accordance with the provisions of Section 16.3 of the Franchise Agreement, agree as follows:

1. The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Article 15 thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they jointly and severally personally guarantee all of the Franchisee's obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

"The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated \_\_\_\_\_, 20\_\_ between \_\_\_\_\_ and 1-800-JUNKPRO, LLC"

or

"The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated \_\_\_\_\_, 20\_\_ between \_\_\_\_\_ and 1-800-JUNKPRO, LLC"

3. \_\_\_\_\_ or his designee shall devote his best efforts to the day-to-day operation and development of the Franchised Business.

4. \_\_\_\_\_ hereby agrees to become a party to and to be bound by all of the provisions of the Franchise Agreement executed on the date set forth below between Franchisee and Franchisor, to the same extent as if it were named as the Franchisee therein.

Date of Franchise Agreement: \_\_\_\_\_

Location of Franchised Business: \_\_\_\_\_

WITNESS:

As to Paragraph 3:

\_\_\_\_\_

\_\_\_\_\_  
[Name]

As to Paragraph 4:

\_\_\_\_\_

\_\_\_\_\_  
[Name]

ATTEST:

\_\_\_\_\_  
Name of Corp. or Limited Liability Company

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)

Title: \_\_\_\_\_

In consideration of the execution of the above Agreement, 1-800-JUNKPRO, LLC hereby consents to the above referred to assignment on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

1-800-JUNKPRO, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT D TO THE DISCLOSURE DOCUMENT**



**LIST OF FRANCHISEES**

## EXHIBIT D TO THE DISCLOSURE DOCUMENT

### LIST OF FRANCHISEES (As of December 31, 2025)

#### OPENED LOCATIONS:

| Franchisee                | Address                                                         | State | Telephone Number |
|---------------------------|-----------------------------------------------------------------|-------|------------------|
| M4R1N3, US, LLC           | 8602 Lava Hill Rd.<br>Austin, TX<br>78744                       | TX    | 512-971-2111     |
| C & S Trucking, LLC       | 5553 Marblehead Dr.<br>Jackson, MS<br>39211                     | MS    | 601-850-1476     |
| JPG BROS, LLC             | 3911 Jaime Zapata Hwy<br>Laredo, TX<br>78043                    | TX    | 956-334-0349     |
| Grateful Eric Inc.        | 5161 Brook Hollow Parkway<br>Suite 222<br>Norcross, GA<br>30071 | GA    | 404-788-0123     |
| JDS Waste Management, LLC | 1519 Oliver St.<br>Unit A<br>Midland, TX<br>79701               | TX    | 940-390-2998     |
| JDTodd, Inc.              | 8940 Fourwinds Dr.<br>Windcrest, TX<br>78239                    | CO    | 586-944-8235     |



**EXHIBIT E TO THE DISCLOSURE DOCUMENT**



**LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM**

**EXHIBIT E TO THE DISCLOSURE DOCUMENT**  
**LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM**  
**(As of December 31, 2025)**

**None**

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

**EXHIBIT F TO THE DISCLOSURE DOCUMENT**



**TABLE OF CONTENTS OF OPERATIONS MANUAL**

# 1-800-JUNKPRO FRANCHISE OPERATIONS MANUAL

## TABLE OF CONTENTS

### Operations Manual Table Of Contents

| SECTION                      | NUMBER<br>OF PAGES |
|------------------------------|--------------------|
| Preface                      | 8                  |
| Introduction                 | 22                 |
| Brand Integrity              | 24                 |
| Goal Setting                 | 5                  |
| HR                           | 11                 |
| Team Building                | 24                 |
| Leading Your Team            | 22                 |
| Trucks & Dumpsters           | 19                 |
| Marketing And Advertising    | 20                 |
| Sales                        | 11                 |
| Dumpster Rental Procedures   | 27                 |
| Junk Removal Procedures      | 26                 |
| Office                       | 19                 |
| Appendix                     | 5                  |
| <b>TOTAL NUMBER OF PAGES</b> | <b>243</b>         |

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**



**FINANCIAL STATEMENTS**

**1-800-JUNKPRO, LLC**  
**Valley Center, Kansas**

Financial Statements with  
Independent Auditors' Report

For the Years Ended  
December 31, 2025, 2024 and 2023

**1-800-JUNKPRO, LLC**  
Financial Statements with Independent Auditors' Report  
For the Years Ended December 31, 2025, 2024 and 2023

**C O N T E N T S**

|                                                | <u>Page<br/>Number</u> |
|------------------------------------------------|------------------------|
| Independent Auditors' Report .....             | 1                      |
| Balance Sheets.....                            | 3                      |
| Statements of Income and Members' Equity ..... | 4                      |
| Statements of Cash Flows .....                 | 5                      |
| Notes to Financial Statements .....            | 6                      |



214 W. Main St  
Valley Center, KS 67147  
Ph. 316.755.0033 Fax 316.755.2661  
[www.pcr CPA.com](http://www.pcr CPA.com)

Independent Auditors' Report

To Members  
1-800-JUNKPRO, LLC  
Valley Center, Kansas

Opinion

We have audited the accompanying financial statements of 1-800-JUNKPRO, LLC, which comprise the balance sheets as of December 31, 2025, 2024 and 2023, and the related statements of income and members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 1-800-JUNKPRO, LLC as of December 31, 2025, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of 1-800-JUNKPRO, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 1-800-JUNKPRO, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance



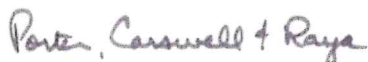
but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 1-800-JUNKPRO, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 1-800-JUNKPRO, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Respectfully submitted,



Porter, Carswell & Raya, Chartered  
Certified Public Accountants  
March 17, 2026

**1-800-JUNKPRO, LLC**  
Valley Center, Kansas

**BALANCE SHEETS**

December 31, 2025, 2024 and 2023

**ASSETS**

|                                                   | <u>2025</u>              | <u>2024</u>              | <u>2023</u>                |
|---------------------------------------------------|--------------------------|--------------------------|----------------------------|
| <b><u>Current Assets</u></b>                      |                          |                          |                            |
| Cash                                              | \$ 565,081               | \$ 827,674               | \$ 887,209                 |
| Accounts receivable from contracts with customers | 46,810                   | 7,122                    | 14,969                     |
| Prepaid expenses                                  | 4,205                    | 7,477                    | 1,317                      |
| Total current assets                              | <u>616,096</u>           | <u>842,273</u>           | <u>903,495</u>             |
| <b><u>Property and Equipment</u></b>              |                          |                          |                            |
| Equipment                                         | 250,666                  | 232,323                  | 212,823                    |
| Accumulated depreciation                          | <u>(155,902)</u>         | <u>(119,123)</u>         | <u>(84,629)</u>            |
| Total property and equipment                      | <u>94,764</u>            | <u>113,200</u>           | <u>128,194</u>             |
| <b>Total Assets</b>                               | <b>\$ <u>710,860</u></b> | <b>\$ <u>955,473</u></b> | <b>\$ <u>1,031,689</u></b> |

**LIABILITIES AND MEMBERS' EQUITY**

|                                              |                          |                          |                            |
|----------------------------------------------|--------------------------|--------------------------|----------------------------|
| <b><u>Current Liabilities</u></b>            |                          |                          |                            |
| Accounts payable                             | \$ 3,375                 | \$ 807                   | \$ 37,500                  |
| Accrued wages                                | 2,776                    | 4,445                    | 5,788                      |
| Accrued vacation                             | 6,074                    | 6,074                    | 4,126                      |
| Accrued interest                             | 616                      | 697                      | 782                        |
| State corporate income tax                   | 5,818                    | 5,818                    | 11,560                     |
| Credit card payable                          | 20,236                   | 12,102                   | -                          |
| Payroll tax liabilities                      | 484                      | 12,410                   | 13,675                     |
| Notes payable - current maturities           | 24,652                   | 23,207                   | 22,121                     |
| Total current liabilities                    | <u>64,031</u>            | <u>65,560</u>            | <u>95,552</u>              |
| <b><u>Long-Term Liabilities</u></b>          |                          |                          |                            |
| Notes payable - less current maturities      | <u>308,401</u>           | <u>353,718</u>           | <u>400,426</u>             |
| Total liabilities                            | <u>372,432</u>           | <u>419,278</u>           | <u>495,978</u>             |
| <b>Members' Equity</b>                       | <u>338,428</u>           | <u>536,195</u>           | <u>535,711</u>             |
| <b>Total Liabilities and Members' Equity</b> | <b>\$ <u>710,860</u></b> | <b>\$ <u>955,473</u></b> | <b>\$ <u>1,031,689</u></b> |

See accompanying notes and independent auditors' report.

**1-800-JUNKPRO, LLC**  
Valley Center, Kansas

**STATEMENTS OF INCOME AND MEMBERS' EQUITY**  
For the Years Ended December 31, 2025, 2024 and 2023

|                                               | <u>2025</u>       | <u>2024</u>       | <u>2023</u>       |
|-----------------------------------------------|-------------------|-------------------|-------------------|
| <u>Revenues from Contracts with Customers</u> |                   |                   |                   |
| Royalty franchise fees                        | \$ 212,770        | \$ 381,961        | \$ 384,993        |
| Customer contact center                       | 19,980            | 443,008           | 427,318           |
| Brand development                             | 115,661           | 63,288            | 61,046            |
| Initial franchise fees                        | -                 | -                 | 52,500            |
| Initial marketing fees                        | -                 | -                 | 10,475            |
| Total revenues                                | <u>348,411</u>    | <u>888,257</u>    | <u>936,332</u>    |
| <u>Operating Expenses</u>                     |                   |                   |                   |
| Advertising                                   | 29,222            | 78,845            | 66,885            |
| Bad debt                                      | 182               | 16,294            | 5,084             |
| Bank and credit card fees                     | 145               | 95                | 102               |
| Charitable Contributions                      | 54                | 257               | -                 |
| Computer and software                         | 76,263            | 62,232            | 60,345            |
| Depreciation                                  | 36,780            | 34,494            | 33,544            |
| Dues and subscriptions                        | 2,268             | 13,372            | 10,935            |
| Employee benefits                             | 9,354             | 10,793            | 7,984             |
| Insurance                                     | 16,061            | 843               | 1,839             |
| Licenses and fees                             | 300               | 3,312             | 573               |
| Meals                                         | 4,231             | 11,540            | 15,773            |
| Office                                        | 14,974            | 31,479            | 14,341            |
| Payroll taxes                                 | 13,027            | 23,264            | 18,503            |
| Payroll wages                                 | 161,465           | 268,076           | 222,728           |
| Professional fees                             | 29,362            | 53,354            | 82,529            |
| Rent                                          | 49,500            | 84,168            | 84,168            |
| Research and development                      | 5,838             | 8,284             | 12,844            |
| Repairs and maintenance                       | 14,592            | 36,397            | 9,438             |
| Security                                      | 860               | 1,911             | 664               |
| Supplies                                      | 682               | 4,022             | 1,156             |
| Taxes-other                                   | 10,907            | 6,352             | 17,188            |
| Travel                                        | 861               | 5,061             | 10,690            |
| Uniforms                                      | 165               | 4,305             | 1,879             |
| Utilities                                     | 14,631            | 31,134            | 27,795            |
| Total operating expenses                      | <u>491,724</u>    | <u>789,884</u>    | <u>706,987</u>    |
| Operating Income                              | (143,313)         | 98,373            | 229,345           |
| <u>Other Income (Expense)</u>                 |                   |                   |                   |
| Interest expense                              | (14,181)          | (14,605)          | (16,590)          |
| Late Fee                                      | 3,362             | -                 | -                 |
| Interest income                               | 8,140             | 8,909             | 8,292             |
| Penalties & Fines                             | -                 | (193)             | -                 |
| Total other income (expense)                  | <u>(2,679)</u>    | <u>(5,889)</u>    | <u>(8,298)</u>    |
| Net Income                                    | (145,992)         | 92,484            | 221,047           |
| Members' Equity - Beginning of Year           | 536,195           | 535,711           | 379,291           |
| Members' Contributions (Distributions)        | (51,775)          | (92,000)          | (64,627)          |
| Members' Equity - End of Year                 | <u>\$ 338,428</u> | <u>\$ 536,195</u> | <u>\$ 535,711</u> |

See accompanying notes and independent auditors' report.

**1-800-JUNKPRO, LLC**  
Valley Center, Kansas

**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2025, 2024 and 2023

| <u>Cash Flows From Operating Activities</u>                                              | <u>2025</u>       | <u>2024</u>       | <u>2023</u>       |
|------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Net Income                                                                               | \$ (145,992)      | \$ 92,484         | \$ 221,047        |
| Adjustments to reconcile net income to net cash provided (used) by operating activities: |                   |                   |                   |
| Depreciation                                                                             | 36,780            | 34,494            | 33,544            |
| (Increase) decrease in:                                                                  |                   |                   |                   |
| Accounts receivable                                                                      | (39,688)          | 7,847             | (1,324)           |
| Prepaid expenses                                                                         | 3,272             | (6,160)           | -                 |
| Increase (decrease) in:                                                                  |                   |                   |                   |
| Accounts payable                                                                         | 2,568             | (36,693)          | 36,668            |
| Accrued wages                                                                            | (1,669)           | (1,343)           | 1,956             |
| Accrued vacation                                                                         | -                 | 1,948             | 1,359             |
| Accrued interest                                                                         | (81)              | (85)              | (653)             |
| State corporate income tax                                                               | -                 | (5,742)           | 11,560            |
| Credit card payable                                                                      | 8,134             | 12,102            | (3,545)           |
| Payroll tax liabilities                                                                  | (11,926)          | (1,265)           | 1,345             |
| Net Cash Provided (Used) by Operating Activities                                         | <u>(148,602)</u>  | <u>97,587</u>     | <u>301,957</u>    |
| <u>Cash Flows From Investing Activities</u>                                              |                   |                   |                   |
| Acquisition of equipment                                                                 | (18,343)          | (19,500)          | (27,473)          |
| Net Cash Provided (Used) by Investing Activities                                         | <u>(18,343)</u>   | <u>(19,500)</u>   | <u>(27,473)</u>   |
| <u>Cash Flows From Financing Activities</u>                                              |                   |                   |                   |
| SBA loan payments                                                                        | (43,873)          | (45,622)          | (43,069)          |
| Members' draw                                                                            | (51,775)          | (92,000)          | (64,627)          |
| Net Cash Provided (Used) by Financing Activities                                         | <u>(95,648)</u>   | <u>(137,622)</u>  | <u>(107,696)</u>  |
| Net Increase (Decrease) in Cash                                                          | (262,593)         | (59,535)          | 166,788           |
| Cash - Beginning of Year                                                                 | 827,674           | 887,209           | 720,421           |
| Cash - End of Year                                                                       | <u>\$ 565,081</u> | <u>\$ 827,674</u> | <u>\$ 887,209</u> |
| <u>Supplemental Cash Flows Information</u>                                               |                   |                   |                   |
| Cash paid for:                                                                           |                   |                   |                   |
| Interest                                                                                 | \$ 14,686         | \$ 14,690         | \$ 17,243         |
|                                                                                          | -                 | -                 | -                 |
| Income Taxes                                                                             | \$ -              | \$ 11,560         | \$ -              |

See accompanying notes and independent auditors' report.

# **1-800-JUNKPRO, LLC**

Valley Center, Kansas

## **Notes to Financial Statements**

December 31, 2025, 2024 and 2023

### **1. Summary of Significant Accounting Policies**

The Company's accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP). The most significant accounting policies are summarized below.

#### **Organization and Nature of Operations**

1-800-JUNKPRO, LLC (the Company), is a Delaware Limited Liability Company. It offers and sells franchises operating as dumpster rental and full-service junk removal companies operating under the "1-800-JUNKPRO" name. The franchise agreements consist of branding, operating systems, training program, marketing efforts, and technical assistance to aid the franchisees in operating the business. . It services franchisees in the states of Kansas, Mississippi, Georgia, and Texas with franchise opportunities across the United States.

#### **Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less at acquisition to be cash equivalents.

#### **Accounts Receivable**

Accounts receivable are recorded at the value of credit expended, plus accrued finance charges. The Company accumulates minimal accounts receivable in the course of business. Thus, they do not provide for an allowance for doubtful accounts as required by generally accepted accounting principles. However, the Company does not believe that using the direct-charge off method results in material differences. Trade accounts receivable are considered past due when the balance is not paid by the end of the month following the account statement. Management closely monitors outstanding balances and writes off balances as they are judged to be uncollectible. No allowance for credit losses was accrued in 2025, 2024 and 2023.

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Property and Equipment**

Property and equipment are recorded at cost less impairments to the long-lived assets in accordance with U.S. GAAP. When individual items are sold or disposed of, the related cost and accumulated depreciation is removed, and the resulting gain or loss is included in the results of operations. Depreciation is computed on the straight-line method over the estimated useful lives of 5 to 7 years for the individual assets for financial reporting purposes and on an accelerated basis for income tax purposes. The methods and policies used for capitalization of major repairs, property, plant and equipment for tax and U.S. GAAP are not significantly different. Other maintenance and repair items are expensed as incurred. Interest incurred in acquiring or constructing assets is capitalized.

#### **Revenue Recognition**

The Company utilizes the accrual basis of accounting, whereby revenue is recognized when earned, and expenses are recorded when incurred according to Accounting Standards 2014-09 and Revenue from Contracts with Customers (Topic 606). Revenue is primarily derived from franchisee franchise fees.

#### **Income Taxes**

The Company has elected to be taxed as a limited liability company under the provisions afforded by the Internal Revenue Code. Under such provisions the members are taxed individually on the Company's taxable income and are liable for individual federal income tax on their respective tax returns. The Company follows the provisions of FASB ASC 740-10 regarding uncertain tax positions. At December 31, 2025, 2024 and 2023, no uncertain tax positions have been identified. The Company is no longer subject to examination by taxing authorities for years before 2021.



# 1-800-JUNKPRO, LLC

Valley Center, Kansas

## Notes to Financial Statements

December 31, 2025, 2024 and 2023

### **1. Summary of Significant Accounting Policies (Continued)**

#### Advertising

The Company expenses advertising costs as incurred and none was capitalized for the years ended December 31, 2025, 2024 and 2023, respectively.

### **2. Fair Value**

The Company has a number of financial instruments, none of which are held for trading purposes. These financial instruments include cash, accounts receivable, accounts payable, and accrued liabilities. The Company estimates that the fair value of all financial instruments at December 31, 2025, 2024 and 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheets. The fair value estimates are based upon certain market assumptions and pertinent information available to management.

### **3. Notes Payable**

The Company has an EIDL term loan with the SBA which is secured by all of the assets of the Company, with minimum monthly payments of \$2,513 and a fixed interest rate of 3.75% at December 31, 2025. The loan matures August 14, 2051. Interest expense for the years ended December 31, 2025 and 2024, was \$14,181 and \$14,605 respectively, none of which was capitalized in either year.

Notes payable mature in the following amounts during the years ending December 31:

| <u>Year Ending</u> |                   |
|--------------------|-------------------|
| 2026               | \$ 24,652         |
| 2027               | 25,101            |
| 2028               | 25,625            |
| 2029               | 26,044            |
| 2030               | 26,582            |
| Thereafter         | 205,049           |
|                    | <u>\$ 333,053</u> |

### **4. Franchise Fee Revenue**

The Company executes franchise or license agreements that set the terms of its arrangement with each franchisee or licensee. The franchise and certain license agreements require the franchisee or licensee to pay an initial, non-refundable fee which varies based upon the size of the market area granted.

Monthly ongoing system access fees are charged on a continuing basis and calculated on a flat monthly fee based on the number of territories for each location.

Direct costs of sales and servicing of franchise and license agreements are charged to general and administrative expenses as incurred.

When an individual franchise is sold, the Company agrees to provide certain services to the franchisee, including training, systems implementation, and design of a quality control program. The Company recognizes initial fees as revenue when substantially all initial services required by the franchise or license agreement are performed, which is generally upon opening of a location. Continuing fees are recognized as earned.

**1-800-JUNKPRO, LLC**  
Valley Center, Kansas

**Notes to Financial Statements**  
December 31, 2025, 2024 and 2023

**5. Significant Concentrations**

Generally accepted accounting principles require disclosure of current vulnerabilities due to certain concentrations. Those matters include the following:

Cash in Bank

Cash deposits are maintained with a financial institution of which none exceeds the insurance limits of FDIC. The Company utilizes a sweep savings account that allocates funds to insured fund accounts.

Major Customers

The Company had six and eleven franchisees that account for 100% of revenue for the years ended December 31, 2025 and 2024 respectively. The Company has long-term franchise agreements in place with all franchisees.

**6. Lease Commitments: Operating Leases**

The Company leases office and parking space from a related party, Better Hauling Company (BHC). There is no written operating lease. Lease payments amounted to \$ 49,500, \$84,168 and \$84,168, for the years ended December 31, 2025, 2024 and 2023, respectively. Minimum future lease payments due for 2025 are expected to be \$84,000. The company is electing the short-term lease exemption under ASC 842. This allows the Company to treat its current short-term lease as operating expenses as the lease can be cancelled by either party with insignificant penalties and it is not reasonably certain the lease will be exercised past the next twelve months as the Company is currently looking for real property to purchase for company headquarters. As such the Company will evaluate on a yearly basis the financial impact of ASC 842 on the Company financial statements.

**7. Related Party Transactions**

The Company pays rent to and receives a number of management services from BHC for training, marketing and operational service support for the Company and its franchisees. Net charges for these services for the years ended December 31, 2025 and 2024, were \$ 49,500, \$108,168 and \$121,668 respectively. Better Hauling Company and the Company have the same ownership and management.

**8. Subsequent Events**

Management has evaluated subsequent events through March 17, 2026, the date on which the financial statements were available to be issued.

**9. Financial Statement Presentation**

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 presentation.

**EXHIBIT H TO THE DISCLOSURE DOCUMENT**



**DEPOSIT AGREEMENT**



## DEPOSIT AGREEMENT

THIS DEPOSIT AGREEMENT (the “**Agreement**”) is made and entered into on \_\_\_\_\_, 20\_\_\_\_ (the “**Effective Date**”) by and between 1-800-JUNKPRO, a Delaware limited liability Company (“**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [individual] [corporation] [partnership] [limited liability company] [residing at] [with offices located at] \_\_\_\_\_ (“**Depositor**”). Franchisor and Depositor are sometimes referred to individually as a “**party**” and collectively as the “**parties**.”

### **RECITALS**

WHEREAS, Franchisor is in the business of developing and operating a system consisting of franchised and company-operated “1-800-JUNKPRO®” businesses under Franchisor’s trademarks, service marks, and system (“**Franchised Businesses**”);

WHEREAS, Depositor has applied, or wishes to apply, to become a franchisee under Franchisor’s system pursuant to a franchise agreement, which, if entered into by Depositor and Franchisor, would confer upon Depositor the right and obligation to open a Franchised Business within an agreed-upon marketing area;

WHEREAS, Franchisor has either already, or will expend considerable time, effort, and cost during the period (the “**Evaluation Period**”) needed to evaluate the applicant’s qualifications and suitability to become a franchisee and to evaluate the proposed marketing area, and will, to the extent Depositor is already approved to become a franchisee forego other potential business opportunities by entering into this Agreement;

WHEREAS, Depositor wishes to place a deposit with Franchisor as evidence of Depositor’s good faith during the Evaluation Period.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. **Deposit.** Upon execution of this Agreement, Depositor shall pay Franchisor the sum of Nine Thousand Five Hundred Dollars (\$9,500) as a non-interest bearing deposit (the “**Deposit**”). Such Deposit represents a portion of the initial franchise fee under the franchise agreement for the Franchised Business that Depositor wishes to enter into with Franchisor.
2. **No Refunds.** Once paid, the Deposit will not be refundable.
3. **Credit.** If the parties enter into a franchise agreement for a Franchised Business, the Deposit will be credited in full towards the initial franchise fee due under that agreement.

4. **Deposit Area.** This Agreement is for the review of the following area: \_\_\_\_\_ (the "Deposit Area"). If the Depositor has already been approved by Franchisor to become a franchisee of a Franchised Business, during the Evaluation Period, Franchisor will refrain from opening itself or through any of its affiliates, or granting any third party the right to open, a Franchised Business in the Deposit Area. If the Depositor has not yet been approved by franchisor to become a franchisee of a Franchised Business, during the Evaluation Period, Franchisor and Depositor shall explore the prospect of entering into a franchise agreement for one (1) Franchised Business within the Deposit Area. The only purpose of the Deposit Area is to describe the area within which they will focus their attention during the Evaluation Period. Nothing in this Agreement (except for the limitations in this Section 4 and in Section 6 below) will prevent Franchisor or Depositor from entering into any agreement, conducting business, or taking any action within the Deposit Area or elsewhere. By entering into this Agreement, neither party shall be bound to enter into a franchise agreement with the other.

5. **Application.** Depositor agrees to make all applications and provide all information reasonably requested by Franchisor to evaluate Depositor's qualification and suitability to enter into a franchise agreement with Franchisor.

6. **Confidentiality.** During the Evaluation Period, certain confidential information about Franchisor and its system will be disclosed or otherwise made known to Depositor ("**Confidential Information**"). Depositor agrees to respect and maintain the confidential nature of such Confidential Information, and not in any way disclose the Confidential Information to anyone else, nor in any way use the Confidential Information in the operation of any business (excluding a Franchised Business operated pursuant to a franchise agreement). It is agreed that Depositor's obligations under this Section 6 shall not expire upon termination of this Agreement.

7. **Evaluation Period.** The parties agree that the Evaluation Period shall last for \_\_\_\_\_ (\_\_) days from the Effective Date, unless the parties otherwise agree in writing.

8. **Termination.** This Agreement shall terminate at the earlier of (a) the parties' entry into a franchise agreement, as applicable, or (b) the end of the Evaluation Period.

9. **No Franchise Rights.** This Agreement is not a franchise or a franchise agreement and does not grant Depositor any right whatsoever to use the 1-800-JUNKPRO® marks and/or system, which rights can only be granted under a franchise agreement entered into by Depositor and Franchisor. Depositor shall not use the 1-800-JUNKPRO® marks or system, nor shall Depositor make any representation or commitment on Franchisor's behalf.

10. **Acknowledgment.** Depositor acknowledges receipt of Franchisor's Disclosure Document at least fourteen (14) calendar days before the Effective Date and this Agreement at least seven (7) calendar days before signing or paying the Deposit.

11. **Full Agreement.** This Agreement incorporates the full and complete agreement between the parties concerning the subject of this Agreement, and supersedes any and all prior correspondence, conversations, representations, or statements of whatever nature concerning the subject of this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations made in the Franchise Disclosure Document Franchisor furnished to Depositor. This Agreement neither evidences, nor commits Franchisor to, an award of a Franchise to Depositor. Any grant of a Franchise to Depositor will be subject to a definitive Franchise Agreement mutually acceptable and signed by both Depositor and Franchisor. However, in the meantime, Depositor and Franchisor will naturally be expected to investigate each other's qualifications, background and respective businesses. Thus, each of the parties will cooperate with the other to obtain further information in order to proceed on a mutually beneficial business basis. Neither party has any obligation to the other party other than as described in this Agreement.

12. **Governing Law.** This Agreement shall be interpreted under the laws of the State of Kansas without regard to its conflict of laws principles.

13. **Counterparts.** The parties may execute this Addendum in printed or electronic counterparts and by manual, facsimile, or electronic signature. Each executed counterpart of this Addendum will constitute an original document and all executed counterparts together will constitute the same agreement.

**"FRANCHISOR":**

**"DEPOSITOR":**

By:

---

By:

---

Name:

---

Name:

---

Title:

---

Title:

---

**EXHIBIT I TO THE DISCLOSURE DOCUMENT**



**FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT**

## EXHIBIT I TO THE DISCLOSURE DOCUMENT

### FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

(NOT FOR USE IN: FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI)

**Do not sign the Acknowledgment statements if you are a resident of Maryland or the business is to be operated in Maryland.**

As you know, 1-800-JUNKPRO, LLC (the “**Franchisor**”) and you are preparing to enter into a franchise agreement (the “**Franchise Agreement**”) for the establishment and operation of a “1-800-JUNKPRO” Business (the “**Franchised Business**”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by existing franchisees, employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor (“**Broker**”), that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?  
  
Yes \_\_\_\_\_ No \_\_\_\_\_
2. I had my first face-to-face meeting with a Franchisor representative on \_\_\_\_\_, 20\_\_\_\_.
3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?  
  
Yes \_\_\_\_\_ No \_\_\_\_\_
4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?  
  
Yes \_\_\_\_\_ No \_\_\_\_\_

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes \_\_\_\_\_ No \_\_\_\_\_

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes \_\_\_\_\_ No \_\_\_\_\_

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

8. Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes \_\_\_\_\_ No \_\_\_\_\_

If No, do you wish to have more time to do so?

Yes \_\_\_\_\_ No \_\_\_\_\_

9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes \_\_\_\_\_ No \_\_\_\_\_

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such

businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes \_\_\_\_\_ No \_\_\_\_\_

15. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?

Yes \_\_\_\_\_ No \_\_\_\_\_

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes \_\_\_\_\_ No \_\_\_\_\_

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes \_\_\_\_\_ No \_\_\_\_\_

18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who?

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

I signed the Franchise Agreement and Addendum (if any) on \_\_\_\_\_, 20\_\_\_\_, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including any franchise broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may



adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

- (i) a person or entity listed in the Annex to the Executive Order;
- (ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or
- (iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

**(NOT FOR USE IN: FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI)**

Acknowledged this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Sign here if you are taking the franchise  
as an

**INDIVIDUAL**

Signature

Print Name

Signature

Print Name

Signature

Print Name

Sign here if you are taking the franchise  
as a

**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

Print Name of Legal Entity

By:  
Signature

Print Name

Title

## STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

|              |                |
|--------------|----------------|
| California   | Not registered |
| Hawaii       | Not registered |
| Illinois     | Pending        |
| Indiana      | Pending        |
| Maryland     | Not registered |
| Michigan     | Not registered |
| Minnesota    | Not registered |
| New York     | Not registered |
| North Dakota | Not registered |
| Rhode Island | Not registered |
| South Dakota | Not registered |
| Virginia     | Pending        |
| Washington   | Not registered |
| Wisconsin    | Not registered |

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

## RECEIPT

### (KEEP THIS COPY FOR YOUR RECORDS)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If 1-800-JUNKPRO, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If 1-800-JUNKPRO, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is 1-800-JUNKPRO, LLC, located at 1100 E. 45th Street North, Park City, Kansas 67219. Its telephone number is (316) 688-5865.

Issuance date: April 30, 2026. The state effective dates are on an exhibit following the State Cover Page.

1-800-JUNKPRO, LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a disclosure document dated April 30, 2026, that included the following Exhibits:

A – State Administrators/Agents for Service of Process

B – State Addenda to FDD

C – Franchise Agreement with Exhibits and State Addenda

D – List of Franchisees

E – List of Franchisees Who Have Left the System

F – Table of Contents of Operations Manual

G – Financial Statements

H – Deposit Agreement

I – Franchisee Disclosure Acknowledgment Statement

Date:

(Do not leave blank)

Signature of Prospective Franchisee

Print Name

**Franchise Sellers:**

**Please check the box by each franchise seller listed below with whom you have had significant contacts in connection with the offer or sale of an Engel & Völkers franchise to you:**

- ☐ Mike Davis, 1100 E. 45<sup>th</sup> Street North, Park City, Kansas 67219, 316-943-5865
- ☐ Misty Davis, 1100 E. 45<sup>th</sup> Street North, Park City, Kansas 67219, 316-943-5865
- ☐ Shawn Govern, 1100 E. 45<sup>th</sup> Street North, Park City, Kansas 67219, 316-943-5865
- ☐ Brittany Scheer, 1100 E. 45<sup>th</sup> Street North, Park City, Kansas 67219, 316-943-5865
- ☐ Jesse Crow, 1100 E. 45<sup>th</sup> Street North, Park City, Kansas 67219, 918-438-4381

## RECEIPT

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- ☐ Brittany Scheer, 1100 E. 45<sup>th</sup> Street North, Park City, Kansas 67219, 316-943-5865
- ☐ Jesse Crow, 1100 E. 45<sup>th</sup> Street North, Park City, Kansas 67219, 918-438-4381