

FRANCHISE DISCLOSURE DOCUMENT

Bin Masters 	Bin Masters Franchising USA Inc. A Delaware Corporation 2201 Francisco Dr. Suite 140-544 El Dorado Hills, California 95762 (408) 318-5606 www.binmasters.com email: binmasters@franchisescale.com
---	---

Bin Masters Franchising USA INC. d/b/a Bin Masters offers a franchise opportunity to offer mobile waste management and compaction business to commercial and public sector clients.

Single Unit: The total investment necessary to begin operation of a Bin Masters franchise is \$149,475 - \$553,125. This includes \$75,000 that must be paid to the franchisor or affiliate.

Area Development: The total investment necessary to begin operation of an Area Development Business for 3-5 outlets is \$269,575 - \$793,375. This includes \$195,000 to \$315,000 that must be paid to the franchisor or affiliate.

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 this 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 Dennis Mulgannon, 2201 Francisco Dr. Suite 140-544, El Dorado Hills, CA 95762; (408) 318-5606.

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 to an advisor, like a lawyer or 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 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: February 21, 2023

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
How much can I earn?	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 or Exhibits E and F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets
Will my business be the only Bin Masters business in my area?	Item 12 and the "territory" provisions in the Franchise Agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Bin Masters franchisee?	Item 20 or Exhibits E and F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	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*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

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 franchise business or may harm your franchise business.

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.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business 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.

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.

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.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other 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 mediation, arbitration and/or litigation only in Delaware. 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 Delaware than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the Franchisor's ability to use this trademark in your area is challenged, you may have to identify your business and its products/services by a different name. This change can be expensive and may reduce brand recognition of the products and services you offer.

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.

**MICHIGAN ADDENDUM
TO THE DISCLOSURE DOCUMENT**

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 franchisees.
- (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 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 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, logo type, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 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) The 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 obligation 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.

Any questions regarding this notice should be directed to Department of the Attorney General's Office, Consumer Protection Division, Franchise Section, G. Mennen Williams Building, 525 W. Ottawa Street, Lansing, Michigan 48913; telephone number (517) 373-7117.

THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES .	1
ITEM 2 BUSINESS EXPERIENCE	2
ITEM 3 LITIGATION	3
ITEM 4 BANKRUPTCY	3
ITEM 5 INITIAL FEES	3
ITEM 6 OTHER FEES	5
ITEM 7 ESTIMATED INITIAL INVESTMENT	8
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	12
ITEM 9 FRANCHISEE’S OBLIGATIONS	15
ITEM 10 FINANCING	16
ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	16
ITEM 12 TERRITORY.....	20
ITEM 13 TRADEMARKS.....	22
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	23
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	24
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	24
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	25
ITEM 18 PUBLIC FIGURES	28
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	28
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	28
ITEM 21 FINANCIAL STATEMENTS.....	31
ITEM 22 CONTRACTS	31
ITEM 23 RECEIPT	31

Exhibits

- A. List of State Administrators and Registered Agents
- B. State Addenda to the Disclosure Document
- C. Franchise Agreement
 - Schedule 1-Territory
 - Schedule 2-Automatic Bank Draft Authorization
 - Schedule 3-Franchisee Disclosure Acknowledgment
 - Schedule 4-Area Development Agreement
 - Schedule 5-State Addenda to the Franchise Agreement
- D. Release
- E. List of Current Franchisees
- F. List of Former Franchisees
- G. Financial Statements
- H. Table of Contents of Operations Manual
- I. List of Area Representatives
- J. State Effective Dates
- K. Receipts

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

The Franchisor, and any Parents, Predecessors, and Affiliates. To simplify the language in this disclosure document, the terms “we,” “us,” and “our” refer to Bin Masters Franchising USA INC. d/b/a Bin Masters, the Franchisor. The terms “you” and “your” refer to the person or entity that buys this franchise, including any guarantors.

Our principal business address is 2201 Francisco Dr. Suite 140-544, El Dorado Hills, California 95762.

We do business under our corporate name and under “Bin Masters.”

Exhibit A contains our agents for service of process.

We are a Delaware Corporation formed on May 13, 2022.

We have not operated a business of the type being franchised, engaged in any other line of business, have not offered franchises in any other line of business, and began offering franchises in 2023.

Parents or Predecessors.

We do not have any parents or predecessors.

Affiliates.

We have an affiliate, BM Canada RALHED Inc., formed December 22, 2020, a privately held Canada corporation with a principal business address at 181 Bay Street, Suite 4400, Toronto, Ontario, Canada M5J.

BM Canada RALHED Inc. has not operated a business of the type offered through this disclosure document.

BM Canada RALHED Inc. has offered franchises in Canada in compaction since January 2021. As of December 31, 2022, BM Canada RALHED Inc. had 4 franchised outlets in Canada.

Our Business and the Franchises Offered.

The Franchisor has developed a unique system of uniform standards, specifications, methods, procedures, practices, techniques, particular skills, know-how, equipment, materials, and marketing strategies with respect to the establishment and operation of a distinctive mobile waste management and compaction business utilizing specialized equipment, operating systems, marketing and advertising programs, communication programs, and customer service systems (“Products and Services”) for waste management services operating in association with the “Bin Masters” trademark and other Intellectual Property (“System”).

We do not operate a business of the type being franchised. We do not engage in other business activities except the offering of franchises as disclosed here.

Area Development- We also offer to qualified individuals the right to operate multiple Franchised Businesses, typically three to five, per an agreed upon development schedule, under an Area Development Agreement. You must execute the franchise agreement for your first outlet under the Area Development Agreement at the same time as the Area Development Agreement. You must sign then current future franchise agreements which may differ from the form of franchise agreement included in this franchise disclosure document.

Unless we otherwise agree, each Bin Masters Business will require at least one Installed Vehicle for use in the operation of the Bin Masters Business within its respective Protected Territory.

We base our qualifications on whether or not we will also offer you the opportunity to become an area developer based on your financial resources, your experience in the industry, your business experience, as well as your marketing and sales plans.

Market and Competition. The general market for compaction services encompasses both commercial and public sector clients. This market is an emerging service and is expected to be competitive. Sales are year-round.

You will compete primarily against independent providers of similar services (if they exist in your area).

Laws and Regulations. Your business may be subject to various federal, state, and local laws and regulations. Drivers must comply with Department of Transportation and state and local laws which may (i) regulate the operation of a waste compaction vehicle; and (ii) require adherence to state insurance requirements. Your business must also comply with laws on the removal and disposal of waste and these laws may limit or prevent you from operating in certain areas. You should investigate the application of these laws further.

Area Representatives. Since January 2023, we have also offered an Area Representative franchise program, through a separate Franchise Disclosure Document, pursuant to which Area Representatives recruit and support unit franchisees in exchange for a portion of the initial franchise fee and royalty paid by the unit franchisee.

Exhibit I contains a disclosures about the Area Representatives as of December 31, 2022.

As of December 31, 2022, we did not have any Area Representatives.

ITEM 2 BUSINESS EXPERIENCE

Dennis Mulgannon – Chief Executive Officer. Dennis Mulgannon has served as our Chief Executive Officer in El Dorado Hills, CA since May 2022. He has also been Director of Franchising for Vertica Fitness Franchising since May 2022; Director of Franchising of CAC Franchising since December 2019, Director of Franchising for Surface Experts Franchising since

June 2018; Director of Franchising for WaveMAX Franchising, LLC since April 2016 and Director of Franchising for TFL Franchise Systems, LLC since April 2015. He was Director of Franchising for Junk King Franchise Systems, Inc. from October 2009 through August 2015 and for JKFS Canada Inc. from October 2012 through August 2015, both in San Carlos, California. Dennis has been Principal of Franchise Scale, Inc., in El Dorado Hills, CA, since January 2002.

Sean Hansen – Chief Operating Officer. Sean Hansen has served as our Chief Operating Officer in El Dorado Hills, CA since May 2022. Sean has also been the Director of Operations for WaveMAX Franchising, LLC in Jacksonville, FL since January 2020 and has served as an Area Representative for WaveMAX since November 2016. Mr. Hansen also served as Franchise Development Manager for Vertica Fitness Franchising since May 2022; Franchise Development Manager for CAC Franchising since December 2019; and Franchise Development Manager for Surface Experts Franchising since July 2018. Mr. Hansen was a Director of Operations for Kiefer Consulting, Inc. in Folsom, CA from August 2011 to July 2017.

BM CANADA RALHED INC., DBA “BinMasters” is a federal corporation incorporated under the laws of Canada (“BM Canada”) on December 22, 2020. Key stakeholders and Bin Masters Franchising USA Advisory Board members include:

René Casas-Cordero – Advisory Board Member. Mr. Casas-Cordero has served as Director, President and CEO of BM Canada RALHED Inc. in Canada since December 2020. Mr. Casas-Cordero has also served as a Director of Canadian Sun and Mountains Travel since 2016. Mr. Casas-Cordero served as the Marketplace Development Specialist for BuildDirect Technologies from 2012 through 2016.

Hugo Marsan – Advisory Board Member. Mr. Marsan has served as a Director of BM Canada RALHED Inc. since December 2020. Mr. Marsan has also served as the President of Packmat Equipment in Montreal, Quebec since 2019. In 2016, Mr. Marsan co-founded Xpak Industries Inc. in Montreal, Quebec, which specializes in strategic design and manufacturing of electrification projects with respect to heavy equipment and vehicles. Mr. Marsan previously worked as an electrical engineer for Labrie Equipment from 2005 – 2012.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this item.

ITEM 5 INITIAL FEES

Initial Franchise Fee

We require a non-refundable initial franchise fee (the “Franchise Fee”) of \$75,000 for the operation of a Bin Masters Business in a single territory (a “Protected Territory”) consisting of a minimum of 3,000 potential qualified businesses that your Bin Masters Business may provide services to based upon our data and industry experience (“Qualified Businesses”). Because the market for our services is primarily Qualified Businesses, we do not use population or household counts to determine your Protected Territory, but such data may factor into our determination of Protected Territory size and layout. For a larger territory, your franchise fee will increase by \$20 per Qualified Business in the territory. For example, the initial franchise fee for a territory with a Qualified Business count of 3,500 would be \$85,000.

Initial Franchise Fee for an Area Representative Also Acquiring a Unit Franchise

If you also enter into an Area Representative Agreement with us, you must also enter into a Unit Franchise Agreement with us at the same time, which we include for no further additional initial franchise fee.

Area Development

If you sign an Area Development Agreement (“ADA”) and become an area developer, you will pay us the Initial Franchise Fee for your first franchise and a development fee (“Development Fee”) based on the number of franchises to be development. Your Development fee will depend on the number of Qualified Businesses in the territories that we grant you the within the Development Area. The Franchise Fee for additional territories is \$20 per Qualified Business, thus a minimum of \$60,000 for the second and each subsequent unit.

The Franchise Fee and Development Fee will be deemed fully earned upon payment, and are not refundable under any circumstances. Except as described above, the Franchise Fee and Development Fee are uniform for all franchisees and must be paid in a lump sum upon execution of the Franchise Agreement or Development Agreement.

We do not finance any portion of your initial fees.

**ITEM 6
OTHER FEES**

Name of Fee (Note 1)	Amount	Due Date	Remarks
Royalty Fee	8.25% of Gross Revenues	The 5 th of each month	We define “Gross Revenues” in Note 2 below.
Third Party Scheduling Software and Payment Platform Fees	Presently \$250 per month	Monthly	You agree to pay such third-party software and fees as we may specify. Presently, you must use Vonigo for your scheduling software, customer relations management and payment platform.
Local Advertising	\$500 per month	Monthly, as incurred by you	You must spend these funds to promote your business each month.
National Account Fees	Varies, typically 10-20% of the invoice amount, billed to the customer	At time of invoicing	When we handle billing or invoicing on national account clients, we mark up the franchisee’s invoice by this amount. Each National Account arrangement would be separately negotiated and the precise fee we charge would be based upon the level of work we do to administer the account. This amount is paid by the customer.
Third party charges that we incur on your behalf	Actual amount of charge	At time of expense	If we incur third party charges on your behalf, you agree to reimburse us for any such charges.
Testing or Supplier Approval Fee	\$500 plus our expenses	Upon request	We refund the \$500 fee to you if the product/supplier is approved for use by the entire system.

Name of Fee (Note 1)	Amount	Due Date	Remarks
Client Refunds	The amount of any fee we refund to a client	At time of payment	If you do not resolve a client service complaint and we believe a reasonable basis exists for a refund to the client of all or a portion of the client fees, we may make the refund and bill you. You agree to pay the charges.
Renewal Fee	\$5,000	Upon renewal	Paid to enter into a new current franchise agreement at the expiration of the term of your franchise agreement.
Transfer Fee	\$10,000 plus any broker fees and other out-of-pocket costs we incur.	When transfer occurs	You pay this fee if you transfer the franchise or a majority ownership interest in it.
Sales, excise or gross receipts tax	Amount of the tax	At time of payment of fees to us which are subject to any tax	You must reimburse us for any tax we pay on any fee imposed on you.
Interest	12% per annum or highest rate allowed by law	As Incurred	Interest is paid to us from the date of nonpayment or underpayment.
Insufficient Funds Fee	\$50 per occurrence	As incurred	You pay this fee for any insufficient funds check or electronic transfer to us.
Indemnification	The amount of any claim, liability or loss we incur from your Franchised Business.	As Incurred	You must indemnify and reimburse us for any expenses or losses, including Professional Fees, that we or our representatives incur related in any way to your Bin Masters Business or franchise.

Name of Fee (Note 1)	Amount	Due Date	Remarks
Assistance Fee in the event of death or incapacity	Reimbursement for actual expenditures incurred including travel, lodging, per diem and wages.	At time of expense	In the event of your death or incapacity, we are entitled to reimbursement from you or your estate for any reasonable expenses incurred continuing Services.
Legal fees and expenses	Actual costs incurred	As Incurred	You must pay to us any legal fees and expenses for if we are the prevailing party in litigation with you.

Notes:

1. Fees and ACH Electronic Transfer. Unless otherwise stated, all fees are imposed by, payable to, and collected by us. No fees or other amounts payable to us or our affiliates are refundable. Before you may open for business, you must sign and deliver to us all bank documents needed to permit us to debit your bank account via ACH Electronic Transfer for all fees and payments due to us or our affiliates. See Schedule 2. If you change your bank account or transfer your account to a different bank, you must notify us within one day, and sign and deliver to us and their bank new documents to permit us to debit your bank account within three days.

2. Gross Revenues. “**Gross Revenues**” is defined as the aggregate amount of all revenues generated by your Bin Masters Franchised Business, whether the sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Revenue includes, without limitation, monies or credit received from the sale of services or products, from tangible property of every kind and nature, promotional or otherwise. Gross Revenue does not include good faith refunds, adjustments, credits and allowances actually made by your Bin Masters Franchised Business in compliance with the Operations Manual. Gross Revenue also excludes any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority.

[Remainder of page intentionally left blank]

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT*

A. FRANCHISE AGREEMENT

<u>Type of Expenditure</u>	<u>Estimated Amount</u>		<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment is Made</u>
	<u>Low</u>	<u>High</u>			
Initial franchise fee ⁽¹⁾	\$75,000	\$105,000	Check or ACH	Upon entering into Franchise Agreement	Us
One Bin Masters Compactor Vehicle ⁽²⁾	\$38,000	\$382,000	Check or ACH	Before opening	Third-party vendors
Equipment, Tools, Supplies, and Inventory	\$3,500	\$7,000	Check or ACH	Before opening	Third-party vendors
Vehicle Storage Rent (2 months) ⁽³⁾	\$0	\$600	Lump sum	Before opening	Landlord
Technology Fees (3 months) ⁽⁴⁾	\$975	\$975	Check or ACH	Before opening	Third-party vendors
Computer Systems and Software ⁽⁵⁾	\$1,500	\$2,000	Charge	Before opening	Third-party providers
Insurance ⁽⁶⁾	\$1,000	\$3,000	Check/Charge or ACH	Before opening	Insurance company
Licenses and Permits ⁽⁷⁾	\$100	\$500	As incurred	Before opening	Licensing Authorities
Professional Fees (lawyer, accountant, etc.) ⁽⁸⁾	\$1,500	\$4,000	As arranged	Before opening	Attorneys, accountants
Marketing Materials and Uniforms ⁽⁹⁾	\$500	\$800	Check or ACH	Before opening	Third-party vendors
Grand Opening Advertising ⁽¹⁰⁾	\$1,000	\$2,500	Check/Charge	Prior to opening	Third party vendors
Travel, lodging and meals for initial training ⁽¹¹⁾	\$1,500	\$5,000	Charge	Before attending initial training	Third-party vendors
Additional funds (for first 3 to 6 months) ⁽¹²⁾	\$25,000	\$40,000	Check/Charge	Before and after opening	Third-party vendors
Total ⁽¹³⁾	\$149,575.00	\$553,375.00			

*None of the fees paid to us in this chart are refundable. Whether such fees paid to third parties are refundable would depend upon their policies.

1. Initial Franchise Fee- The table above assumes the purchase of one territory. The amount of the initial franchise fee is determined by the number of Qualified Businesses and will be for a specific geographic area that we define by zip codes. For a territory with up to approximately 3,000 Qualified Businesses, the franchise fee is \$75,000. The fee will increase by \$20 for each additional Qualified Business in your territory. The high amount would be for a territory with 4,500 qualified

businesses. The size of your Protected Territory may be adjusted by us to account for boundary streets, highways, counties, geographic barriers and zip codes and will be specified in your Franchise Agreement.

Neither we nor any affiliate finances any part of your initial investment.

2. Bin Masters Compactor Vehicle - You will need one all electric Lion truck with PackMat compaction equipment to operate this franchise. We include a down payment and one month's financing payment for the low amount. We base the high amount on your purchase of a vehicle and compaction equipment for cash.

3. Vehicle Storage Rent (2 months) - You would normally work from your home or as an add on to an existing business location and in such case, would not incur rental expense. However, you must lease space, if you do not have such space already, to store your compaction vehicle(s).

4. Technology Fees (3 months) - The Technology Fee currently includes fees related to your maintenance, licensing, access to, and usage of our designated software, (which includes a CRM software application as well as a software application for scheduling and routing customers), our intranet, and our website. We may add, delete, or otherwise modify the products and services that are included in the Technology Fee. We may increase the Technology Fee upon 30 days' written notice if our costs increase.

5. Computers and Software- At present, we require you to have an internet connection, email, a smartphone or tablet, for drivers as well as a laptop or desktop computer for the owner, tablets for drivers, and such software as we may specify. Your costs will vary depending on what items you may already have. However, you must have Microsoft Word, an approved email and/or text messaging function, mobile credit card processing capabilities and an approved basic accounting and invoicing program. Your devices must be in good repair, with sufficient memory to carry out ordinary business functions, as provided in the Operations Manual. We will not have independent access to your devices, but we reserve the right to require such access in the future to conduct periodic audits of any accounting records contained in such hardware. We may require that your devices include GPS-tracking capabilities.

6. Insurance Deposits and Premiums- You will need to carry insurance as we specify and as required by law.

7. Business Permits and Licenses- Estimated costs of obtaining required business permits and licenses to operate your business. Some costs may vary depending on the location of the Franchised Business.

8. Professional Fees- Represents fees to attorneys, accountants and other advisors for review of the franchise agreement, establishment of a legal entity, setup of accounting systems, and any needed assistance to obtain licenses and permits.

9. Marketing Collateral and Uniforms - The marketing collateral includes the Vehicle wrap and print collateral required to commence operations. Bin Masters franchisees may at their own

discretion allocate additional funds for marketing collateral. In addition, there will be ongoing marketing expenses as further detailed in Item 5.

10. Grand Opening Advertising - The grand opening expenses are above and beyond your standard marketing and branding collateral and materials. The grand opening expenses will include advertising specifically around the grand opening of the Bin Masters franchised business, for example, online advertising such as Adwords, mail outs, e-blasts, and announcements to networks.

11. Travel and Living Expenses to Attend Initial Training- These are estimate costs for you to attend initial training in Canada or a designated area we deem appropriate. Your costs will vary on whether you are local to the area or require travel, lodging, and local transportation, as well as from where you travel, the time of year, the level of lodging you select, and how far ahead you book. If you bring another person to initial training, then your costs would be approximately double the estimated amount.

13. Additional Funds- 3 Months- These amounts are the minimum recommended levels to cover operating expenses, including employee salaries for three (3) months. Additional working capital may be required if sales are low or fixed costs are high. The disclosure laws require us to include this estimate of all costs and expenses to operate your franchise during the “initial phase” of your business, which is defined as 3 months or a longer period if “reasonable for the industry”. We are not aware of any established longer reasonable period for the Franchised Business, so our disclosures cover a three-month period.

14. Total- We base this estimate upon the years of experience our management team has in this industry. These figures are estimates of your initial expenses covering the first three months of your operation. Your costs will depend on: how well you follow our methods and procedures; your management skills; experience and business acumen; local economic conditions; the local market for our services; the prevailing wage rate; and competition. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

[remainder of page intentionally left blank]

B. AREA DEVELOPMENT AGREEMENT

Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Area Development Fee (Note 1)	\$195,000	\$315,000	Lump Sum	Upon entering into Area Development Agreement	Us
Initial Investment for Your Initial Franchised Business (Note 2)	\$74,575	\$478,375	See Chart 7(A) above.		
TOTAL	\$269,575.00	\$793,375.00			

Note 1- The low-end comprises of the initial franchise fee of \$75,000 plus the minimum \$120,000 for the additional two outlets (\$60,000 x 2). The high-end comprises of the initial franchise fee of \$75,000 plus the minimum \$240,000 for the additional four outlets (\$60,000 x 4).

Note 2-The low-end comprises of the low-end estimate from the Item 7.A table, less the \$75,000 initial franchise fee, as it is included in the Area Development Fee (\$149,575 - \$75,000 = \$74,575). The high-end comprises of the high-end estimate from the Item 7.A table, less the \$75,000 initial franchise fee, as it is included in the Area Development Fee (\$553,375 - \$75,000 = \$478,375).

The estimates in this Chart 7(B) assume that you will be entering into an Area Development Agreement for the right to open and operate three to five Franchised Businesses within a Development Area and the cost of opening the first Franchised Business.

Please note, if you purchase a territory larger than the minimum size of 3,000 potential qualified businesses that your Bin Masters Business may provide services to based upon our data and industry experience (“Qualified Businesses”), you must pay \$20 per additional Qualified Business in your territory.

This figure represents the total estimated initial investment required to open your initial Franchised Business under the Franchise Agreement you must enter into with us at the same time as the execution of your Development Agreement.

Other than the Development Fee, this figure does not include the costs associated with opening a second and subsequent locations which will incur additional costs.

[remainder of page intentionally left blank]

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The Goods or Services Required to be Purchased or Leased:

Advertising and Marketing. You must use advertising material from us, an approved vendor, or we must approve the advertising in writing, prior to its use.

Computers and Software. You must use any computer hardware and software that we specify.

Compaction Vehicles. You must use compaction vehicles pursuant to our specifications, which include color and size requirements and we designate an approved vendor.

Furniture and Equipment. You must purchase basic furniture and equipment for a home office pursuant to our specifications.

Insurance. You must maintain insurance policies protecting you and us (as additional insured). The policies must be written by an A.M. Best “A” or better rated insurance company and must include the types and minimum amounts of coverage that we specify as well as any other insurance as may be required by state law. At present, we require the following types and minimum amounts of coverage. If your state requires greater coverage amounts for the categories listed below, you must obtain and maintain coverage as required by your state.

COMMERCIAL GENERAL LIABILITY:

Limit Each Occurrence	\$1,000,000
General Aggregate Limit:	\$2,000,000
Products/Completed Operations Aggregate Limit:	\$2,000,000
Waiver of Subrogation for Additional Insureds	
Primary & Non-Contributory coverage for Additional Insureds	

COMMERCIAL OR PERSONAL AUTOMOBILE LIABILITY:

Bodily Injury and Property Damage Combined Single Limit/Aggregate
\$1,000,000/\$2,000,000

Hired and Non-Owned Liability Limit/Aggregate
\$1,000,000/\$2,000,000

Uninsured/Underinsured Motorist Bodily Injury Single Limit/Aggregate
\$1,000,000/\$2,000,000

Liability should be written for “any auto” Symbol 1 or a combination of Symbols 8 and 9 so that coverage is provided for all owned (or scheduled) and hired and non-owned autos.

WORKERS’ COMPENSATION:

Workers’ Compensation:	Statutory (with All States Broad Form)
Employer’s Liability:	\$500,000 per employee, bodily injury by disease; \$500,000 policy limit, bodily injury by disease; \$500,000 per employee, bodily injury by accident.

Waiver of subrogation in favor of Additional Insureds

Stop Gap as required in monopolistic states.

UMBRELLA LIABILITY*	\$1,000,000 each occurrence
	\$1,000,000 aggregate

*recommended but not mandatory

SPECIFIC REQUIREMENTS:

Additional Insured: Bin Masters Franchising USA Inc. must be listed as “Additional Insureds” on all policies except for Workers’ Compensation and Employers’ Liability

All coverage must be primary and noncontributory with respect to Bin Masters Franchising USA Inc.

All Liability policies must contain a “Waiver of Subrogation” in favor of Bin Masters Franchising USA Inc., unless otherwise noted.

Notice of Cancellation and non-renewal: All policies must provide that the policy cannot be canceled, non-renewed or modified without 30 days’ prior written notice to the Franchisee. If the Franchisee receives such notice, Bin Masters Franchising USA Inc. must be notified within three (3) business days.

Named Insured: The Franchisee(s) named on the Franchise Agreement must be the named insured(s) on all policies.

Certificates of insurance must be sent in upon annual expiration date.

Leased Location. You may work from any home or office location in your territory and we do not issue specifications for your work location. However, you will need a location to store your compaction vehicle(s) which allows such storage per local zoning requirements.

Uniforms. You must purchase uniforms from an approved vendor, or pursuant to our specifications.

Whether we or our Affiliates are Approved Suppliers:

We are an approved supplier of advertising material, but not the only approved supplier.

Our affiliate is not an approved supplier of requires purchases or leases by franchisees

Officer Interests in Suppliers:

Our officers, Dennis Mulgannon, and Sean Hansen, own an interest in us.

Alternative Suppliers:

Other than Lion electric trucks, we do not maintain written criteria for approving suppliers and thus these criteria are not available to you or your proposed supplier. We do permit you to contract with alternative suppliers if approved by us and they meet our criteria. We charge \$500 plus any costs incurred to test another supplier that you propose. We refund the \$500 fee to you if we approve the product/supplier for use by the entire franchise system. If you wish to propose to us another supplier, you may submit the proposed supplier that you wish for us to consider in writing. We will examine the quality of the items and the supplier's ability to supply a sufficient quantity in a timely way with good customer service to determine whether to consider adding the supplier to our list of approved vendors. We will notify you within 60 days if we approve or disapprove of an alternative supplier. If we revoke approval for a supplier, we will provide written notice to you.

Issuance and Modification of Specifications:

We issue and modify specifications and standards to franchisees or approved suppliers through our Operations Manual or through informational bulletins we issue from time to time.

Revenue from Required Purchases:

We and our affiliate may derive revenue or other material consideration from required purchases or leases by you.

In our last fiscal year ending December 31, 2022, neither we nor our affiliates earned revenue or other material consideration from required purchases or leases by franchisees.

Required Purchases as a Proportion of Costs:

We estimate that required purchases described above will be approximately 50-70% of all purchases and leases by you of goods and services to establish a franchise and approximately 30-50% of your operating costs.

Supplier Payments to Us:

Designated suppliers may make payments to us from franchisee purchases.

We have not yet received any supplier rebates but anticipate supplier rebates in the future.

Purchasing or Distribution Cooperatives:

At this time, we do not have any purchasing or distribution cooperatives.

Purchase arrangements:

We negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees.

EV Incentive Programs:

We work closely with the vehicle manufacturer, Lion Electric, to optimize government rebates and incentives available to Bin Masters franchise owners. For example, the California Air Resources Board currently offers a direct \$85,000 rebate paid to the vehicle manufacturer at the time of purchase or lease of your vehicle(s).

Material Benefits:

We do not provide material benefits to you based on your use of a particular supplier. However, when your franchise is up for renewal, to continue your franchise rights, we require you to be in compliance with your franchise agreement, which includes compliance with any supplier standards that are contained in our Operations Manual.

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.

Franchisee's Obligations	Section In Franchise Agreement	Item in Disclosure document
a. Site selection and acquisition/lease	3, 6.2	11
b. Pre-opening purchases/leases	6.10, 6.11, 6.12, 6.13	7, 8
c. Site development and other pre-opening requirements	6.2	11
d. Initial and ongoing training	5.9, 6.1, 6.8; Schedule 4	11
e. Opening	6.3; Schedule 4	11
f. Fees	4, 7, 14.3, 16, 20.10; Schedule 4	5, 6, 7, 8, 11
g. Compliance with standards and policies/Manual	6.4	8, 11
h. Trademarks and proprietary information	8, 9	13, 14
i. Restrictions on products/services offered	6.6	8, 16
	6.7	6

Franchisee's Obligations	Section In Franchise Agreement	Item in Disclosure document
j. Warranty and customer service requirements		
k. Territorial development and sales quotas	3; Schedule 4	12
l. Ongoing product/service purchases	6.10, 6.11, 6.12, 6.13	8
m. Maintenance, appearance & remodeling requirements	Not Applicable	Not Applicable
n. Insurance	6.9	8
o. Advertising	7	8, 11
p. Indemnification	14.3	6
q. Owner's participation/management/staffing	6.5	15
r. Records and reports	10	11
s. Inspections and Audits	10	11
t. Transfer	15	17
u. Renewal	2.2	17
v. Post-termination obligations	12	15, 16, 17
w. Non-competition covenants	13	15, 16, 17
x. Dispute resolution	20	17

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

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

Except as listed below, we are not required to provide you with any assistance.

Obligations Before Opening:

Initial Training. We provide an initial training program. The topics covered in initial training are described in the chart below in this Item 11. (Franchise Agreement, Section 5.1).

Site Selection. We do not provide site selection assistance. You may work from your home or any office location in your Territory. However, you must store your compaction vehicles in a location where zoning permits such storage. (Franchise Agreement, Section 5.2).

Conforming the premises to local ordinances and building codes and obtaining any required permits. Because you may work from home or any office location, we do not provide assistance to conform the premises to local ordinances and building codes and obtain any required permits. (Franchise Agreement, Section 5.2).

Constructing, remodeling, or decorating the premises. Because you may work from home or any office location, we do not provide assistance in constructing, remodeling, or decorating the premises. (Franchise Agreement, Section 5.2).

Area Development-Site Selection. We do not provide site selection assistance for additional outlets opened under the Area Development Agreement as you may work from your home or any office location in your Territory.

Assistance to obtain equipment and supplies. We provide guidance to obtain equipment and supplies. We provide the names of approved vendors or specifications for these items. (Franchise Agreement Section 5.3).

Operations Manual. We provide access to our Operations Manual (“Manual”) to offer guidance in the operation of your Franchised Business. (Franchise Agreement, Section 5.4).

Marketing Assistance. We provide support and advice to you in the conduct of advertising. (Franchise Agreement, Sections 5.6 and 7.4).

Length of Time Before Opening. The typical length of time between the signing of the Franchise Agreement and the opening of your Franchised Business is 90 days. You agree to begin operations and be open for business no later than 6 months from the time both parties execute the franchise agreement. If you do not begin operations in this time frame, we may terminate your franchise agreement or allow you more time. (Franchise Agreement, Section 6.3).

You should normally be able to open for business within 30-60 days after the completion of initial training. Factors that may affect the time length to open include the time it takes to obtain any needed license and permits and acquire compaction vehicles.

During the Operation of the Franchise:

Operational Support. We offer assistance with operating problems and issues that you may encounter. (Franchise Agreement, Section 5.5).

Pricing. We will offer assistance in helping you to understand your costs and how sales prices will affect profitability on jobs to assist you in establishing pricing. (Franchise Agreement, Section 5.5).

Marketing Support. We provide support and advice to you in the conduct of advertising. (Franchise Agreement, Section 5.6 and 7.4).

Computer Hardware and Software Systems. We may specify computer hardware and software systems to assist in the operation of your Franchised Business. (Franchise Agreement, Section 5.7).

Additional Training or Seminars. We may elect to offer additional training or seminars. (Franchise Agreement, Section 5.8).

Advertising Program and Fund:

Grand Opening Advertising. You agree to spend a minimum of \$1,000- \$2,500 pursuant to our guidelines to promote the opening of your Franchised Business. (Franchise Agreement, Sections 4.4 and 7.2).

Local Advertising. You must spend a minimum of \$500 per month pursuant to our guidelines on local advertising, marketing, and promotional activities. (Franchise Agreement, Sections 4.5 and 7.3).

Advertising Fund. We do not charge an Advertising Fee nor maintain an Advertising Fund. We may nonetheless conduct advertising using online, radio, television, direct mail, billboards, print or other advertising. We may use local, regional, or national advertising. We may produce advertising material in-house or through outside agencies. We are not required to spend any amount on advertising in the area or territory where you will be located. (Franchise Agreement, Sections 4.3 and 7.4).

Use of Your Own Advertising Material. You may use your own advertising materials provided that you submit them to us and we approve them, in writing, and they adhere to federal, state and local law. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved. You may not use a Social Media Platform or Social Media Materials without our prior written approval.

Advertising Council. We do not have an advertising council composed of franchisees that advises us on advertising policy, but reserve the right to form one in the future.

Advertising Cooperative. You are not required to participate in a local or regional advertising cooperative.

Computer Systems:

We require you to have an internet connection, email, a smartphone or tablet, a laptop or desktop computer and Microsoft Office and Quickbooks software. You will generate and store operational,

customer, and sales data in your computer system. Depending on what computer systems you already have, these items can be purchased for approximately \$1,500 - \$2,000.

Neither we nor our affiliates or any third party have any obligation to provide ongoing maintenance, repairs, upgrades or updates. You must maintain your computer systems in good working order and must replace, update or upgrade your hardware systems as we require. There is no contractual limitations on the frequency or cost of the obligation. The estimated annual cost of optional or required maintenance, updating, upgrading, or support contracts to your computer systems is approximately \$1,000 - \$1,500.

Independent Access to Information. We have and you are required to provide independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. There are no contractual limitations on our right to access the information. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. If, as part of a review of your business, we request a copy of any business records, you must send us at your expense these records within five business days of receiving our request.

Operations Manual:

Exhibit H contains the Table of Contents to the Operations Manual along with the page count per chapter. The total page count of the Operations Manual is 70 pages.

Initial Training Program:

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Business overview and planning	8	0	Virtual
- Service Operations - Equipment Standards - Equipment Operations - Vehicle Operations	8	16	Sacramento, CA or designated training location and at your location
- Operational Procedures	8	0	Virtual Training
- Marketing Programs	8	4	Sacramento, CA or designated training location
Technology Systems	4		Virtual
Sales/Networking and Branding	4	4	Virtual and at your location
Total	40 hours	24 hours	

We intend to hold initial training classes quarterly, or more often if necessary, at leased classroom space in the Greater Montreal Area (Quebec) or at your location.

We use the Operations Manual, manuals, handouts, and PowerPoint presentations to conduct initial training.

We do not charge for you to attend initial training, but you are responsible for travel, lodging, transportation, meal costs, and your employees' wages to attend initial training.

We require that you attend initial training along with any General Manager if you have one. You may enroll spouses, adult children, and other personnel upon our approval. You must successfully complete initial training to our satisfaction to operate a franchise within 90 days of signing the franchise agreement. We advise you during or immediately after initial training if you have successfully completed the course.

Additional Training Programs or Refresher Courses. At present, we do not have any additional training or refresher courses for franchisees but reserve the right to add such classes later.

ITEM 12 TERRITORY

We grant you a territory in which to operate your Franchised Business, as set forth on Schedule 1 to the Franchise Agreement.

The typical territory will normally include a population of at least 3,000 qualified businesses and will be for a specific geographic area that we define by zip codes. The size and layout of your Protected Territory may vary depending on a variety of factors, including the number of Qualified Businesses in the Protected Territory, the population count, the aggregate driving distances between Qualified Businesses in your Protected Territory, and other factors that are unique to you and/or your Protected Territory. The size of your Protected Territory may be adjusted by us to account for boundary streets, highways, counties, geographic barriers and zip codes and will be specified in your Franchise Agreement.

We use the U.S. Census Bureau or another source we deem reliable for population data.

You may relocate the Franchised Business provided that you stay within your Territory. We would not normally approve the opening of additional outlets in your territory as the Franchised Business is offered at the customer's location and there would be no business reason to open additional outlets within a territory.

We do not grant you options, rights of first refusal, or similar rights to acquire additional franchises.

You will receive an exclusive territory within which we promise not to establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks.

Except as may be permitted pursuant to online or social media advertising guidelines, or Cross Territorial Protocols, you agree to limit your marketing and services to locations solely within your Territory.

Continuation of your territorial rights does not depend on your achieving a certain sales volume, market penetration, or other contingency. We may not modify your territory boundaries even if there is an increase in population in your territory.

We or an affiliate does not reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks; however, we may direct such sales to you.

We or an affiliate also reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory of products or services under trademarks different from the ones that you will use under the franchise agreement.

We are not obligated to pay compensation to you for soliciting or accepting orders from inside your territory.

You may not solicit or transact business outside your territory, including through other channels of distribution such as catalog sales, telemarketing, or other direct marketing, except any permitted online or social media advertising you may do in accordance with our guidelines may extend outside your territory.

We reserve the right to implement Cross Territorial Protocols which govern cross territorial issues such as a single customer needing services in multiple territories and you agree to abide by those rules, which may include distribution of revenues among affected franchisees.

Neither we nor an affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark which such business sells or will sell goods or services similar to those you will offer, but we reserve the right to do so. However, we reserve the right in the future to acquire, be acquired by, participate in a merger, or otherwise affiliate with a business that operates or franchises a business under a different trademark and that sells or will sell similar goods or services.

National Accounts:

We alone retain the exclusive right to establish relations with clients who have locations in multiple franchisee territories who desire for us to administer their account at the franchisor level (“National Accounts”). Typically, these clients desire to channel their job requests and billing solely through us at the franchisor level. We then make these jobs available to franchisees. You may elect to accept such jobs if they become available in your Territory or not. You must allow us to handle the billing or invoicing on national account clients when we or the national account client so specifies. We may mark up your invoice approximately 10-20% to compensate us for our work to administer the National Account arrangement and may impose certain other fees or fee splits. You agree to these mark ups, fees and fee splits.

If you circumvent or do not follow our national account billing procedures two or more times, we reserve the right to stop sending National Account jobs to you, then. In addition, if there is a dispute on any work performed for a National Account, you agree that we may mediate and resolve the dispute and you agree to be bound by our decision.

Area Developers:

Under the Area Development Agreement (the “ADA”), you will develop, open and operate multiple outlets within a defined Development Area (the “Development Area”). We determine the Development Area using the same criteria that we use in deciding the Territory for a single unit franchised business.

ITEM 13 TRADEMARKS

The franchise agreement licenses to you the right to use the following principal trademarks (“Marks”) registered or applied for with the U.S. Patent and Trademark Office (“USPTO”):

Description of Mark	Serial/Registration Number	Principal or Supplemental Register of the USPTO	Registration Date
	97354481	Principal	Pending; Not Registered; Applied for April 8, 2018

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We have filed all required affidavits and renewals.

There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by the franchisor. There are no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

BM Canada Ralhed Inc., a Canadian corporation, owns the trademark listed in the chart above and licenses it to us pursuant to a written Intellectual Property License Agreement effective May 13, 2022 (“License Agreement”). The License Agreement is for an initial term of ten (10) year with the right to one additional ten (10) year renewal term. The License Agreement may be terminated upon a material breach, subject to a 120 day cure period for certain breaches. If the License

Agreement were terminated, you could lose the right to use the trademarks licensed to us under the License Agreement. There are no other currently effective agreements that significantly limit our rights to use or license the use of our trademarks listed in this section.

If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us. We are not required to take affirmative action when notified of these uses or claims.

We have the sole right to control any administrative proceedings or litigation involving a trademark licensed by us to you. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorably to you.

If we discontinue or modify our Marks, you must adopt and use any new marks as required by us. Any expenses you incur because of adopting and using these marks are your responsibility.

We do not know of any superior prior rights or infringing uses that could materially affect your use of our Marks anywhere.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are not patents or pending patent applications material to this franchise. We claim a copyright to our Operations Manual, marketing material such as our website text, and other printed material, although we have not presently filed a registration of those copyrights. We consider all of these items confidential and proprietary. Upon termination of your franchise agreement, you must return to us our Operations Manuals and any confidential information.

You will not directly or indirectly disclose, publish, disseminate or use our “Confidential Information” except as authorized in the Franchise Agreement. You may use our Confidential Information to perform your obligations under the Franchise Agreement, but in doing so you will only allow dissemination of our Confidential Information on a need-to-know basis and only to those individuals that have been informed of the proprietary and confidential nature of such Confidential Information. We may share performance data of your franchised business between us, our employees and affiliates, our franchisees and their employees. You agree to keep such performance data confidential.

“Confidential Information” means our information or data (oral, written, electronic or otherwise), including, without limitation, a trade secret, that is valuable and not generally known or readily available to third parties obtained by you from us during the term of the Franchise Agreement. The Confidential Information of ours includes all intellectual property associated with our Franchise system, all other materials relating to our Franchise system that are not a matter of public record, and all information generated during the performance of the Franchise Agreement.

“Customer Data” is considered Confidential Information, and includes all information about Customers that may be collected in connection with their use of your services, including, but not

limited to, name, telephone number, address and email address. We retain all right, title, and interest in and to the Customer Data, including all intellectual property rights.

Upon termination of your franchise agreement, you must return to us our Operations Manuals and any Confidential Information, including Customer Data. You may never - during the initial term, any renewal term, or after the Franchise Agreement expires or is terminated - reveal any of our Confidential Information to any other person or entity or use it for the benefit of any other person or business.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are not required to participate personally in the direct operation of your Franchised Business but we recommend it. You may instead hire a General Manager to run the Franchised Business day to day, but the General Manager must first successfully complete our initial training. If the franchisee is a business entity, the General Manager is not required to have an equity interest in the franchise.

We require you to obtain a signed nondisclosure and non-competition agreement from any General Manager that you hire.

You agree to accurately and completely furnish to us the names, contact information, and ownership percent on anyone owning an interest in this franchise on the Signature Page to the Franchise Agreement. As a result, co-owners in a franchisee entity will be bound by all the terms of the franchise agreement, including the guarantee, confidentiality, and non-compete duties in it. No change to the owners or ownership percentages are permitted without our prior written consent.

We do not require your spouse to guarantee the performance of any obligations under the franchise agreement, however, if your spouse is a co-owner of the franchise or franchisee entity, then you and your spouse will both guarantee performance under the franchise agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale through your franchised business only such products and services that we have approved in writing. We may designate products or services as optional or mandatory. You may not sell any goods or services that we have not authorized or approved.

You are required to sell all goods or services that we authorize, except as approved by us. We may change the types of authorized goods and services sold by franchisees. There are no limits on our right to make changes to the authorized goods and services sold by franchisees, however, we may not fundamentally alter the nature of the franchise offered. We may, at our sole discretion, revoke approval of a previously approved goods or services, at which case you must immediately stop selling the revoked services or products.

We set a range of recommended charges per compaction and a recommended range for other fees based on the cost of doing business in your area. We recommend that you follow any promotions that we may offer, but do not require you to do so.

For the duration of your franchise agreement, you may not offer competitive services in the states and territories of the United States unless you receive our prior written consent.

You are bound by a 2 year 25 mile post-term non-compete agreement that prohibits you from offering competitive services.

National Accounts

For National Account clients, we and the client may negotiate prices. If you accept a job offered by a national account client, you agree to charge the negotiated price. You do not have to accept a national account job offered to you.

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.

Provision	Section In Franchise Agreement	Summary
a. Length of the franchise term	2	10 years.
b. Renewal or extension of the term	2	Can be renewed for successive terms if you are in compliance with your Franchise Agreement (“Agreement”).
c. Requirements for franchisee to renew or extend	2	Renewing your Franchise Agreement means that you are able to continue your operations as a franchisee for an additional term. You must pay renewal fee, sign a general release of claims, notify us in writing at least 180 days before the expiration of the Agreement, and sign our then current Agreement, which may contain materially different terms and conditions than your original contract.
d. Termination by franchisee	11.1	You may terminate the Agreement if you do not renew or sell the franchise pursuant to the terms of the Agreement.
e. Termination by franchisor without cause	None	Not applicable

Provision	Section In Franchise Agreement	Summary
f. Termination by franchisor with cause	11.2, 11.3; Schedule 4	We can terminate only if you default.
g. “Cause” defined – curable defaults	11.3; Schedule 4	Violate the Agreement, Manual, any other agreement with us, or owe monies to us more than 30 days past due, and do not cure such breach within 30 days after notice. ADA: We can terminate your development rights under the Area Development Agreement if you fail to meet the development schedule in the ADA.
h. “Cause” defined – non-curable defaults	11.2	Do not pass initial training, fail to obtain our approval of a site or open on time, become insolvent, commit a material violation of law, abandon the Franchised Business, submit a materially false Franchise Application, fraud, uncured default of other agreement, fail to pay suppliers an amount exceeding \$3,000 for more than 60 days; fail to permit us to inspect or audit your franchise; or commit three or more breaches within 12 months.
i. Franchisee’s obligations on termination/renewal	12; Schedule 4	Cease operating; stop using our marks; deliver to us business records; pay debts due to us; cancel or assign telephone numbers; assist in lease transfer and our purchase of your assets, at our option; return Manual and Confidential Information to us; cancel fictitious names; adhere to the post-term covenants not to compete or solicit; adhere to other post term duties; execute any necessary documents. ADA: You forfeit your rights to territories as to which you have not met the Development Schedule.
j. Assignment of contract by franchisor	15.1	We may assign to a successor in interest who remains bound by terms of Agreement.
k. “Transfer” by franchisee – defined	15.2	Includes transfer of a controlling interest in the franchisee entity, either in one singular transaction or through an aggregation of multiple transactions; transfer or sale of all or substantially all of your assets.
l. Franchisor’s approval of transfer by franchisee	15.2	We have the right to approve all transfers.
m. Conditions for franchisor’s approval of transfer	15.5	You must be: -current in monetary obligations; -in compliance with the Franchise Agreement; -execute any transfer, amendment, or release forms that we may require;

Provision	Section In Franchise Agreement	Summary
		-provide to us a copy of the proposed transfer documents; -transferee must meet our criteria; -transferee must execute our then-current Franchise Agreement; -pay to us the Transfer Fee; -transferee must satisfactorily complete our initial training program; -comply with the post-termination provisions; -transferee must obtain necessary licenses and permits; -obtain any lessor approval for transfer; -the transfer must be made in compliance with any laws that apply to the transfer; -the purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation; -you must request that we provide the prospective transferee with our current franchise disclosure document.
n. Franchisor's right of first refusal to acquire franchisee's business	15.6	We have a right of first refusal to match any purchase offer for your franchise, any interest in the franchise, or substantially all the assets of the Franchised Business.
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	16	Transfer must be commenced within 60 days, completed within 6 months; we must approve the transferee, transferee must attend and successfully complete training, and sign our current Agreement.
q. Non-competition covenants during the term of the franchise	13	No competition allowed in the United States and its territories.
r. Non-competition covenants after the franchise is terminated or expires	13	No competition for 2 years within the territory, or 25 miles from the boundaries of the territory or other territory.
s. Modification of the agreement	17	No modifications except to Operations Manual. Revisions to the Manual will not unreasonably affect the franchisee's obligations, including economic requirements, under the Agreement.
t. Integration/merger clause	19	Only the terms in the franchise agreement are binding (subject to federal or state law). Any

Provision	Section In Franchise Agreement	Summary
		representations or promises made outside the disclosure document and franchise agreement may not be enforceable. No claim in any franchise agreement(s) is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	20	You must mediate claims against us. Illinois, Maryland, and Washington franchisees must also arbitrate claims against us.
v. Choice of forum	20	Litigation must take place in Delaware (subject to state law).
w. Choice of Law	20	Delaware law governs (subject to applicable 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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 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 Dennis Mulgannon, 2201 Francisco Dr. Suite 140-544, El Dorado Hills, CA 95762; (408) 318-5606, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY

FOR YEARS 2020 TO 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company-Owned*	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total Outlets	2020	0	0	0
	2021	0	0	0
	2022	0	0	0

TABLE 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
FOR YEARS 2020 TO 2022

State	Year	Number of Transfers
All States	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

TABLE 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2020 TO 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
All States	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Total	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

TABLE 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2020 TO 2022*

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
All States	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Total	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0-

*Company-Owned refers to outlets run by our Affiliates.

TABLE 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2022

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	0	2	0
Georgia	0	2	0
Indiana	0	1	0
Massachusetts	0	1	0
North Carolina	0	1	0
Texas	0	2	0
TOTALS	0	9	0

Exhibit E contains a list of the names of all current franchisees and the address and telephone number of each of their outlets.

Exhibit F contains a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. 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, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We are not aware of any trademark-specific franchisee organizations associated with the franchise system being offered.

ITEM 21 FINANCIAL STATEMENTS

Exhibit G contains our audited financial statements as of February 7, 2023. We have not been in business for three years and so can not include all financial statements required by the FTC Franchise Rule. Our fiscal year end is December 31.

ITEM 22 CONTRACTS

The proposed agreements regarding this franchise offering are included as exhibits to this Disclosure Document as follows:

- C. Franchise Agreement
 - Schedule 1-Territory
 - Schedule 2-Automatic Bank Draft Authorization
 - Schedule 3-Franchisee Disclosure Acknowledgment
 - Schedule 4-Area Development Agreement
 - Schedule 5-State Addenda to the Franchise Agreement
- D. Release

ITEM 23 RECEIPT

Exhibit K contains two copies of a Receipt of our Disclosure Document.

EXHIBIT A

State Administrators and Agents for Service of Process

State	State Administrator	Agent for Service of Process
California	Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013 2101 Arena Boulevard Sacramento, CA 95834 (866) 275-2677	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013
Connecticut	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of Attorney General Franchise Division 500 South Second Street Charlottesville, IL 62706 (217) 782-4465	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Charlottesville, IL 62706
Indiana	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Secretary of State, Securities Division West Washington Street, Room E-111 Indianapolis, IN 46204
Kentucky	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300	
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place	Maryland Securities Commissioner 200 St. Paul Place

	Baltimore, MD 21202 (410) 576-6360	Baltimore, MD 21202-2020
Michigan	Department of Attorney General Consumer Protection Division – Franchise Unit 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913 (517) 373-7117	Department of Attorney General 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198
Nebraska	Nebraska Department of Banking and Finance 1200 N Street-Suite 311 Post Office Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21 st Floor New York, NY 10005 (212)-416-8222	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492 Phone
North Dakota	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501
Texas	Secretary of State Statutory Document Section	

	P.O. Box 12887 Austin, TX 78711 (512) 475-1769	
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760	Securities Administrator Washington State Department of Financial Institutions 150 Israel Rd., SW Tumwater, WA 98501
Wisconsin	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703 (608) 266-8557	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703

EXHIBIT B

STATE ADDENDA TO THE DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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 FRANCHISE DISCLOSURE DOCUMENT.

Item 3 of the Disclosure Document is amended by adding the following paragraph:

Neither we nor any person or franchise broker in Item 2 of this 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. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60 day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement requires application of the laws of Pennsylvania. This provision may not be enforceable under California law.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER

OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA 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).

Our website is located at www.BinMasters.com

OUR WEBSITE 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 www.dfpi.ca.gov.

The highest interest rate allowed by law in California is ten percent (10%) annually.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

ILLINOIS ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.
5. 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.

MARYLAND ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, “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.u. is modified to also provide, “This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.”

3. Item 17.v. is modified to also provide, “Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

4. 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.

MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. 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 (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 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.
- 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.
 1.
 - Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).
 - Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
 - The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

NEW YORK ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. The following information is added to the cover page of the Franchise Disclosure Document:

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party 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. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 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, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party 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.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum,”** and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law.

Applicable Laws: North Dakota law will govern the franchise agreement.

Waiver of Trial by Jury: Any waiver of a trial by jury will not apply to North Dakota Franchises.

Waiver of Exemplary & Punitive Damages: Any waiver of punitive damages will not apply to North Dakota Franchisees.

General Release: Any requirement that the franchisee sign a general release upon renewal of the franchise agreement does not apply to franchise agreements covered under North Dakota law.

Enforcement of Agreement: Any requirement in the Franchise Agreement that requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Item 17(u) of the Disclosure Document is modified to provide that the site of mediation shall be agreeable to all parties and may not be remote from the franchisee's place of business.

**RHODE ISLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

Rhode Island law applies.

**SOUTH DAKOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the South Dakota Franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 5 of the Disclosure Document is revised to also provide:

“The Franchise Disclosure Document is amended to also state that the initial franchise fee will be paid only after the franchisor fulfills its pre-opening obligations to the Franchisee and the Franchisee is open for business.”

**VIRGINIA ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. 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.

WASHINGTON ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Washington Franchise Investment Protection Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

RCW 19.100.180 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 or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

WISCONSIN ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

BIN MASTERS FRANCHISING USA INC.

EXHIBIT C

FRANCHISE AGREEMENT



TABLE OF CONTENTS

Section.....	Page
1. GRANT OF FRANCHISE	1
2. TERM AND RENEWAL	1
3. TERRITORY	1
4. FEES AND PAYMENTS.....	3
5. OBLIGATIONS OF FRANCHISOR	5
6. OBLIGATIONS OF FRANCHISEE.....	6
7. ADVERTISING.....	7
8. TRADEMARKS	8
9. CONFIDENTIALITY AND INTELLECTUAL PROPERTY RIGHTS	9
10. REPORTS AND REVIEW.....	10
11. TERMINATION	10
12. POST TERMINATION OBLIGATIONS.....	11
13. NON-COMPETE AND NO SOLICITATION.	12
14. ADDITIONAL IN-TERM AND POST-TERM COVENANTS	13
15. TRANSFER	14
16. DEATH OR INCAPACITY	16
17. MODIFICATION.....	16
18. NON-WAIVER OF BREACH.....	16
19. FULL UNDERSTANDING.....	16
20. GOVERNING LAW	17
21. RELEASE OF PRIOR CLAIMS.....	18
22. NOTICES	18
23. ACKNOWLEDGMENTS.....	18
24. GUARANTY	19

Schedule 1 – Territory

Schedule 2 – Automatic Bank Draft Authorization

Schedule 3 – Franchisee Disclosure Acknowledgment

Schedule 4 – Area Development Agreement

Schedule 5 – State Addenda to the Franchise Agreement

WHEREAS, Bin Masters Franchising USA INC. d/b/a Bin Masters (“we,” “us,” or “our”) offers a franchise opportunity to offer mobile waste management and compaction business to commercial and public sector clients (“System”). Our system utilizes specified marketing techniques and operating procedures; and

WHEREAS, Franchisee and all Signators identified on the signature page to this Agreement, in your personal capacity, (collectively “Franchisee,” “you,” or “your”) desire to utilize our System and our trade names, service marks, and trademarks (collectively, the “Marks”); and

NOW, THEREFORE, for value received, we and Franchisee (“the Parties”) agree as follows:

1. GRANT OF FRANCHISE

1.1 Grant of Franchise. Subject to the terms of this franchise agreement (“Agreement” or “Franchise Agreement”), we grant to you a franchise (“Franchised Business”) using our system and our Marks in the territory described in Schedule 1 (“Territory”). You agree to abide by the terms of this Agreement.

2. TERM AND RENEWAL

2.1. Term. This Agreement will be effective for a ten (10) year term beginning on the Effective Date specified in this Agreement.

2.2 Renewal. You may renew for another term by signing our then current franchise agreement if you are in compliance with this Agreement and meet the other conditions for renewal. You may also renew future franchise agreements if you are in compliance with such agreements and meet the other conditions for renewal by signing our then current franchise agreement. To renew, you must exercise a general release of all claims that you might have against us. Other terms, conditions, and fees may vary. If you wish to renew, you must notify us in writing at least 180 days before the expiration of this Agreement.

3. TERRITORY

We grant you a territory in which to operate your Franchised Business, as set forth on Schedule 1 to the Franchise Agreement.

You may relocate the Franchised Business provided that you stay within your Territory. We would not normally approve the opening of additional outlets in your territory as the Franchised Business is offered at the customer’s location and there would be no business reason to open additional outlets within a territory.

We do not grant you options, rights of first refusal, or similar rights to acquire additional franchises.

You will receive an exclusive territory within which we promise not to establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks.

Except as may be permitted pursuant to online or social media advertising guidelines, or Cross Territorial Protocols, you agree to limit your marketing and services to locations solely within your Territory.

Continuation of your territorial rights does not depend on your achieving a certain sales volume, market penetration, or other contingency. We may not modify your territory boundaries even if there is an increase in population in your territory.

We or an affiliate does not reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks; however, we may direct such sales to you.

We or an affiliate also reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory of products or services under trademarks different from the ones that you will use under the franchise agreement.

We are not obligated to pay compensation to you for soliciting or accepting orders from inside your territory.

You may not solicit or transact business outside your territory, including through other channels of distribution such as catalog sales, telemarketing, or other direct marketing, except any permitted online or social media advertising you may do in accordance with our guidelines may extend outside your territory.

We reserve the right to implement Cross Territorial Protocols which govern cross territorial issues such as a single customer needing services in multiple territories and you agree to abide by those rules, which may include distribution of revenues among affected franchisees.

Neither we nor an affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark which such business sells or will sell goods or services similar to those you will offer, but we reserve the right to do so. However, we reserve the right in the future to acquire, be acquired by, participate in a merger, or otherwise affiliate with a business that operates or franchises a business under a different trademark and that sells or will sell similar goods or services.

National Accounts:

We alone retain the exclusive right to establish relations with clients who have locations in multiple franchisee territories who desire for us to administer their account at the franchisor level (“National Accounts”). Typically, these clients desire to channel their job requests and billing solely through us at the franchisor level. We then make these jobs available to franchisees. You may elect to

accept such jobs if they become available in your Territory or not. You must allow us to handle the billing or invoicing on national account clients when we or the national account client so specifies. We may mark up your invoice approximately 10-20% to compensate us for our work to administer the National Account arrangement and may impose certain other fees or fee splits. You agree to these mark ups, fees and fee splits.

If you circumvent or do not follow our national account billing procedures two or more times, we reserve the right to stop sending National Account jobs to you, then. In addition, if there is a dispute on any work performed for a National Account, you agree that we may mediate and resolve the dispute and you agree to be bound by our decision.

4. FEES AND PAYMENTS

4.1 Initial Franchise Fee. When you sign your franchise agreement, you must pay us an initial franchise fee equal to \$75,000 for a single territory (a “Protected Territory”) consisting of a minimum of 3,000 potential qualified businesses that your Bin Masters Business may provide services to based upon our data and industry experience (“Qualified Businesses”). For a larger territory, your franchise fee will increase by \$20.00 per Qualified Business in the territory. For example, the initial franchise fee for a territory with a Qualified Business count of 3,500 would be \$85,000.

The initial franchise fee is due to us in full when you return to us signed copies of your Franchise Agreement. The initial franchise fee is fully earned and nonrefundable upon your signing of the franchise agreement and receipt of the funds by us.

4.2 Royalty Fee. You agree to pay to us a Royalty Fee of 8.25% of Gross Revenues.

“**Gross Revenues**” is defined as the aggregate amount of all revenues generated by your Bin Masters Franchised Business, whether the sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Revenue includes, without limitation, monies or credit received from the sale of services or products, from tangible property of every kind and nature, promotional or otherwise. Gross Revenue does not include good faith refunds, adjustments, credits and allowances actually made by your Bin Masters Franchised Business in compliance with the Operations Manual. Gross Revenue also excludes any sales taxes or other taxes collected from customers by you and paid directly to the appropriate taxing authority.

4.3 Software and POS Fees. You agree to pay such third party software and POS fees as we may specify.

4.4 Grand Opening Advertising. You agree to expend a minimum of \$1,000 - \$2,500 with third parties to promote the opening of your Franchised Business pursuant to our guidelines.

4.5 Local Advertising. You agree to spend a minimum of \$500 per month to promote your Franchised Business and provide proof of such expenditures to us as we may require.

4.6 National Accounts. We alone retain the exclusive right to establish relations with clients who have locations in multiple franchisee territories who desire for us to administer their account at the franchisor level (“National Accounts”). Typically, these clients desire to channel their job requests and billing solely through us at the franchisor level. We then make these jobs available to franchisees. You may elect to accept such jobs if they become available in your Territory or not. You must allow us to handle the billing or invoicing on national account clients when we or the national account client so specifies. We may mark up your invoice approximately 10-20% to compensate us for our work to administer the National Account arrangement and may impose certain other fees or fee splits. You agree to these mark ups, fees and fee splits.

If you circumvent or do not follow our national account billing procedures two or more times, we reserve the right to stop sending National Account jobs to you, then. In addition, if there is a dispute on any work performed for a National Account, you agree that we may mediate and resolve the dispute and you agree to be bound by our decision. If you decline a National Account job made available to you in your Territory, then we may offer the job to a nearby franchisee or in some cases, another compaction service company not affiliated with us.

4.7 Third Party Charges. If we incur third party charges on your behalf, you agree to reimburse us for any such charges. You are solely responsible for all fees and expenses to third parties required to operate your Franchised Business.

4.8 Testing/ Inspection Fees to Approve a Supplier. You agree to pay to us \$500 plus our costs incurred if you request us to test and inspect a new product or supplier. We refund the \$500 fee to you if we approve the product/supplier for use by the entire franchise system.

4.9 Client Refunds. If you do not resolve a client service complaint and we believe a reasonable basis exists for a refund to the client all or a portion of the client’s fees, we may pay the client directly and bill you. You agree to pay the charges.

4.10 Renewal Fee. You agree to pay to us a Renewal Fee of \$5,000 of the then current initial franchise fee to enter a new franchise agreement and continue your rights as a franchisee for an additional term.

4.11 Transfer Fee. You agree to pay to us a Transfer Fee of \$10,000 if you wish to transfer ownership of the rights under this Franchise Agreement, or a majority of the ownership of this Agreement or in an entity holding this Agreement. We do not charge a transfer fee if the owners of this Agreement transfer this Agreement into an entity owned by the same owners with the same ownership percentages or upon your death or disability for transfer to a spouse, parent, or child.

4.12 Sales, Excise or Gross Receipts Tax. If required by the federal government, state or locality in which your Franchised Business is located, products or fees may be subject to sales, excise, gross receipts or similar type tax, which you must pay to us at the same time and in the same manner as you pay underlying costs and fees to us.

4.13 Sales, Income, and Other Taxes. You shall be solely responsible for paying all sales, income, and other taxes imposed upon you with respect to your operation of the Franchised Business.

For example, it may also be that certain products, services, or revenues that your Franchised Business sells or receives, may be subject to state or local tax. We may in some instances initially charge or receive those taxes ourselves and then remit them to you. In any event, you are responsible for paying such taxes as apply to the sales and revenues of your Franchised Business.

4.14 Interest. You agree to pay the lesser of 12% per annum or the maximum amount permitted by law, if less, on any amounts owed to us that are more than 30 days past due.

4.15 Insufficient Funds Fee. You agree to pay to us \$50 per occurrence for any insufficient funds check or electronic transfer from you to us.

4.16 Payment Period and Method. You must pay to us the Royalty and Advertising Fees on the 5th of each month as to Gross Revenues in the prior month. You must pay to us other recurring fees at the same time. You must pay to us all other fees when incurred. Before you may open for business, you must sign and deliver to us all bank documents needed to permit us to debit your bank account via ACH Electronic Transfer for all fees and payments due to us or our affiliates. If you change your bank account or transfer your account to a different bank, you must notify us within one day, and sign and deliver to us and their bank new documents to permit us to debit your bank account within three days. We reserve the right to modify the payment methods and schedule in our Operations Manual.

5. OBLIGATIONS OF FRANCHISOR

5.1. Initial Training. We provide a three (3) day initial training program.

5.2 Site Selection. We do not provide site selection assistance. You may work from your home or any office location within your Territory. However, you must store your vehicles in a location where zoning permits such storage.

5.3 Assistance to obtain equipment and supplies. We provide guidance to obtain equipment and supplies. We provide the names of approved vendors or specifications for these items.

5.4 Operations Manual. We provide you access to our proprietary and confidential Operations Manual, as well as any other manuals and writings prepared by us for your use in operating a Franchised Business ("Manual"). We may disseminate the Manual electronically. We may revise the Manual from time to time to adjust for legal or technological changes, competition, or attempts to improve in the marketplace.

5.5 Operational Support. We provide support to you in operational problems and issues that you may encounter in the operation of your Franchised Business.

5.6 Marketing Support. We provide support and advice to you in the conduct of advertising.

5.7 Software and Computer Systems. We may specify software and computer systems to assist in the operation of your Franchised Business.

5.8 Additional Training or Seminars. We may elect to offer and require you to attend, either live or electronically, additional training or seminars that we may offer.

6. OBLIGATIONS OF FRANCHISEE

6.1 Training. You must successfully complete our initial training within 90 days of the Effective Date of this Agreement and before you may operate the Franchised Business.

6.2 Site Selection. You agree to work from your home or another location within your territory.

6.3 Starting Date. You agree to be operational within 4 months of the Effective Date of this Agreement.

6.4 Operations Manual. You agree to operate the Franchised Business according to the then current Operations Manual as well as information bulletins and guidance that we disseminate electronically.

6.5 Participation. You are not required to participate personally in the direct operation of your Franchised Business but we recommend it. You may instead hire a General Manager to run the Franchised Business day to day, but the General Manager must first successfully complete our initial training. The General Manager is not required to have an equity interest in the franchise.

We require you to obtain a signed nondisclosure and non-competition agreement from any General Manager that you hire.

You agree to accurately and completely furnish to us the names, contact information, and ownership percent on anyone owning an interest in this franchise on the Signature Page to the Franchise Agreement. No change to the owners or ownership percentages are permitted without our prior written consent.

6.6 Authorized Products and Services Only. You may offer for sale through your franchised business only such products and services that we have approved in writing. We may designate products or services as optional or mandatory. You may not sell any goods or services that we have not authorized or approved.

You are required to sell all goods or services that we authorize, except as approved by us. We may change the types of authorized goods and services sold by franchisees. There are no limits on our right to make changes to the authorized goods and services sold by franchisees, however, we may not fundamentally alter the nature of the franchise offered. We may, at our sole discretion, revoke approval of a previously approved goods or services, at which case you must immediately stop selling the revoked services or products.

We set a range of recommended charges per compaction and a recommended range for other fees based on the cost of doing business in your area. We recommend that you follow any promotions that we may offer, but do not require you to do so.

National Accounts

For National Account clients, we and the client may negotiate prices. If you accept a job offered by a national account client, you agree to charge the negotiated price. You do not have to accept a national account job offered to you.

6.7 Customer Service. You shall interact with prospective and actual customers in a professional and respectful businesslike manner and diligently fulfill your obligations to them when they engage your services.

6.8 Employee Training. You shall train your employees to competently and professionally carry out their duties and offer excellent customer service. You are solely responsible for hiring, firing, compensating, paying applicable payroll taxes and day-to-day supervision and control over your employees.

6.9 Insurance. You are required to have insurance as may be required by your state laws and as we may specify in the Operations Manual. You must name us and all our officers, directors, members and agents and others as their interest may appear on a primary, noncontributory basis as an additional insured on these policies and send proof of same to us. Certificates of insurance must be sent in upon annual expiration date.

6.10 Software and Computer Systems. You agree to purchase or use such computer hardware and software capability that we specify to operate your Franchised Business.

6.11 Uniforms. You must purchase uniforms from our designated vendor or pursuant to our specifications.

6.12 Vehicles. You must use vehicles to our specifications, which include color and size requirements and we offer required vendors. You will need to purchase 1 compaction vehicle to begin operations. You will need one (1) electric vehicle with electric compaction capabilities to operate this business, in order to operate this franchise. We offer a required vendor.

6.13 Laws and Regulations. You agree to comply with all federal, state, and local laws, and regulations. You agree to secure all necessary permits, certificates, licenses, and consents to operate your business.

7. ADVERTISING

7.1 Advertising Guidelines and Approval. Your advertising and promotions shall conform to the following requirements:

- a) You shall advertise and promote only in a manner that will reflect favorably on us;
- b) You shall use our advertising templates or, if you wish to use your own material, you shall submit to us for written approval all advertising and promotional material, including proposed signage and social media, prior to its use. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved.

- c) You agree to participate in all promotional programs that we create, offer or advertise.
- d) Your advertising must comply with federal, state, and local laws.

7.2 Grand Opening Advertising. You agree to expend a minimum of \$1,000 to \$2,500 with third parties to promote the opening of your Franchised Business pursuant to our guidelines.

7.3 Local Advertising. You agree to spend a minimum of \$500 per month to promote your Franchised Business and provide proof of such expenditures to us as we may require.

7.4 Advertising Fund. We do not charge an Advertising Fee nor maintain an Advertising Fund.

Nonetheless, we may conduct advertising using online, radio, television, direct mail, billboards, print or other advertising. We may use local, regional, or national advertising. We may produce advertising material in-house or through outside agencies. We are not required to spend any amount on advertising in the area or territory where you will be located.

7.5 Publicity. Except as required by law, you may not make any press release or other public announcement respecting the subject matter of this Agreement without our written consent as to the form of such press release or public announcement.

7.6 Name and Likeness. You give us permission to use your name and likeness in all forms and media for advertising, trade, and any other lawful purposes.

8. TRADEMARKS

8.1 Use of the Marks. We allow and require you to use our Marks to hold out your Franchised Business to the public. You agree to use only our Marks as we develop them for this purpose. Use of our Marks must be in accordance with our Operations Manual.

8.2 Entity Name Requirements. You may not use the words “Bin Masters” or any confusingly similar words, as any part of the name of a corporation, LLC or other entity. However, “Bin Masters” followed by your entity number, or such other designation as we shall specify, shall be your “doing business as” name for an entity which owns this franchise, sometimes also called your “assumed name,” “trading as” name, or “fictitious name.”

8.3 No Confusingly Similar Marks. You agree not to use any marks that could be confused with our Marks.

8.4 Update to our Marks. We may replace, modify, or add to our Marks. If we replace, modify, or add additional marks, you agree to update or replace your supplies, etc. to reflect the new marks, at your expense, in the time frame we provide at the time of such an update.

8.5 Infringement Claims. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us.

8.6 Control of Proceedings. We have the sole right to control any administrative proceedings or litigation involving a trademark licensed by us to you. We are not required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorably to you.

9. CONFIDENTIALITY AND INTELLECTUAL PROPERTY RIGHTS

9.1 Definition. “Confidential Information” means our information or data (oral, written, electronic or otherwise), including, without limitation, a trade secret, that is valuable and not generally known or readily available to third parties obtained by you from us during the term of the Franchise Agreement. The Confidential Information of ours includes all intellectual property associated with our Franchise system, all other materials relating to our Franchise system that are not a matter of public record, and all information generated during the performance of the Franchise Agreement.

9.2 Confidentiality. You will not directly or indirectly disclose, publish, disseminate or use our Confidential Information except as authorized herein. You may use our Confidential Information to perform your obligations under this Agreement, but in doing so will only allow dissemination of our Confidential Information on a need-to-know basis and only to those individuals that have been informed of the proprietary and confidential nature of such Confidential Information.

9.3 Return of Information. Upon termination or expiration of this Agreement, you will return to us all of our Confidential Information embodied in tangible form, and will destroy, unless otherwise agreed, all other sources that contain or reflect any such Confidential Information. Notwithstanding the foregoing, you may retain Confidential Information as needed solely for legal, tax, and insurance purposes, but the information retained will remain subject at all times to the confidentiality restrictions of this Agreement.

9.4 Customer Data. We retain all right, title, and interest in and to the Customer Data, including all intellectual property rights therein and thereto. However, you may use the Customer Data during the Term of this Agreement as permitted by this Agreement or our Manual. “Customer Data” means any and all information about Customers that may be collected in connection with their use of your franchise services, including, but not limited to, name, telephone number, address and email address. Customer Data shall be considered Confidential Information for purposes of this Agreement.

9.5 Intellectual Property Ownership. We own the Franchise system and all intellectual property associated with it. To the extent you have or later obtain any intellectual property, other property rights, or interests in the Franchise system by operation of law or otherwise, you hereby disclaim such rights or interests and will promptly assign and transfer such entire interest exclusively to us. You will not undertake to obtain, copyright, trademark, service mark, trade secret, patent rights or other intellectual property right with respect to the Franchise system.

9.6 Suggestions. You agree that we may incorporate into our business operations any suggestions, enhancement requests, recommendations, or other feedback provided by you or anyone else and we shall have sole rights and title to such suggestions.

9.7 Performance Data. You agree that we may share performance data from your Franchised Business between our employees, franchisees and their employees. You agree to keep such performance data confidential.

10. REPORTS AND REVIEW

10.1 Reports. You must send us such reports in the time and manner we may specify in the Operations Manual.

10.2 Profit and Loss. By January 30 of each year, you must send us an unaudited profit and loss statement of the Franchised Business, in the manner and form we specify, for the 12-month period ending the prior December 31.

10.3 Reviews. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. This includes the right to inspect and copy all tax returns and bank statements that may show revenues from the Franchised Business. We also have the right to require that you implement a plan to resolve issues that we discern from any review we conduct.

10.4 Time Frame to Furnish Documents. If, as part of a review of your business operations, we request a copy of any business records related to the Franchised Business, you must send us at your expense these records within five (5) business days of receiving our request.

10.5 Independent Access to Information. You agree that we have and that you will provide independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. You must at all times give us unrestricted and independent electronic access to your computer systems and information.

11. TERMINATION

11.1 Termination by You. You may terminate this Agreement by not renewing; that is by notifying us in writing of your desire to not renew at least 180 days prior to the expiration of this Agreement. If you terminate pursuant to this paragraph, you must still comply with all of the provisions of this Agreement that require performance post-termination.

11.2 Termination by Us. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

- a) If you do not pass our initial training in accordance with our passing standards;

- b) If you fail to open on time;
- c) If you become insolvent, meaning unable to pay your bills in the ordinary course as they become due;
- d) If you commit a material violation of any law, ordinance, rule, or regulation of a governmental agency or department reasonably associated with the operation of the Franchised Business or if you are convicted of, or plead guilty or no contest to a felony;
- e) If you abandon the Franchised Business or discontinue the active operation of the Franchised Business for three or more business days, except when active operation is not reasonably possible, such as because of a natural disaster;
- f) If you include a materially false representation or omission of fact in your Confidential Franchise Application to us;
- g) If you or your principals commit any fraud or misrepresentation in the operation of the Franchised Business;
- h) If you or your principals materially breach any other agreement with us or any of our affiliates, or threaten any material breach of any such agreement, and fail to cure such breach within any permitted period for cure;
- i) You fail to pay suppliers an amount exceeding \$3,000 for more than 60 days;
- j) You fail to permit us to inspect or audit your franchise; or
- k) If you commit three or more breaches of this Agreement, the Operations Manual, or any other agreement with us, in any 12-month period regardless of whether such breaches were cured after notice.

11.3 Termination by Us with Opportunity to Cure. We may terminate this Agreement, after sending you notice and an opportunity to cure within thirty (30) days, if:

- a) You violate any other term or condition of this Agreement, the Operations Manual, or any other agreement with us; or
- b) Any amount owing to us from you is more than 30 days past due.

11.4 No Refund of Initial Fee. We have no obligation to return or refund any fee to you upon termination of this Agreement.

12. POST TERMINATION OBLIGATIONS

If this Agreement expires, is not renewed, or is terminated for any reason by any party, including a sale of the Franchised Business, you must immediately:

- a) Cease operating the Franchised Business;
- b) Stop identifying yourself as a franchisee of ours and discontinue using any of our Marks or any marks which are likely to be confused with our Marks;
- c) Deliver to us the original and all copies, both paper and electronic, of the business records of your Franchised Business (retaining only such copies as you need for legal or tax purposes);
- d) Pay to us all amounts owing to us;
- e) At our request, cancel or assign to us all telephone numbers under your ownership used in the Franchised Business;
- f) Reimburse customers for any fees paid for services not yet rendered;
- g) At our option, and upon our request, use your best efforts to assist in our taking over the lease of the location of your Franchised Business, whether it be through a new lease or assignment;
- h) At our option, offer to us the right to purchase your props, equipment, signage, and supplies within 30 days of the date of termination for the adjusted book value, which is the undepreciated book value of the assets on your most recently filed federal tax return prior to the date of the termination or expiration;
- i) Deliver to us any paper and electronic copies of the Operations Manual and any Confidential Information;
- j) Cancel all fictitious name or other listings which you have filed for use of any of the Marks;
- k) Adhere to the provisions of the post-term covenants not to compete and not to solicit;
- l) Abide by any other covenant in this Agreement that requires performance by you after you are no longer a franchisee; and
- m) Execute, from time to time, any necessary papers, documents, and assurances to effectuate the intent of this Section 12.

13. NON-COMPETE AND NO SOLICITATION.

13.1 Non-Compete.

- a) **In-Term.** You will not, during the Term of this Agreement, in the United States or its Territories, directly or indirectly, offer a compaction service for a fee or charge, except in the provision of such services through the Franchised Business. During the same time period, you also agree not to take any steps to interfere with our relations with National Accounts.

- b) **Post-Term.** You will not, for a period of two years after expiration or termination of this Agreement, or a sale or assignment of the Franchised Business, in the Territory or within 25 miles of the boundaries of the Territory or another Territory franchised by us and in operation at that time, directly or indirectly, for a fee or charge, offer a compaction service. During the same time period, you also agree not to take any steps to interfere with our relations with National Accounts.

13.2 No Solicitation of Customers. You will not, for a period of two years after expiration or termination of this Agreement, in the Territory or within twenty-five (25) miles of the boundaries of the Territory, directly or indirectly solicit the patronage of any client served by your prior Franchised Business during the last 24 months that you were a franchisee, or such shorter time as you were a franchisee, for the purpose of offering such person or entity, for a fee or charge, compaction services.

13.3 Waiver of Bond. You agree that if we bring suit to enforce Sections 12, 13.1 or 13.2 above, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

13.4 Severability. If any covenant or provision of Section 13.1 or 13.2 is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision. Further, these obligations are considered independent of any other provision in this Agreement and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

14. ADDITIONAL IN-TERM AND POST-TERM COVENANTS

14.1 Maintenance of Goodwill. You agree not to disparage us or our current and former employees, agents, members, or directors. During the term of this Agreement, you agree not to do any act harmful, prejudicial, or injurious to us.

14.2 Independent Contractor. You and we are independent contractors to each other. Neither you nor we is an agent, fiduciary, partner, employee, or a participant in a joint venture, and neither you nor we has the authority to hold out as such to third parties. You do not have any authority to bind or obligate us. We are not and will not be liable for any act, omission, debt, or other obligation of yours.

14.3 Indemnity. You are responsible for all loss or damage and for all contractual liability to third parties originating in or in connection with the operation of the Franchised Business and for all claims or demands for damage directly or indirectly related. You agree to defend, indemnify, and hold harmless us and our employees, officers, directors, and members with respect to any such claim, loss, or damage, including our costs and attorney fees.

15. TRANSFER

15.1 Assignment by Us. We may assign this Agreement to an assignee who agrees to remain bound by its terms. We do not permit a sub-license of the Agreement.

15.2 Transfer by You. You may transfer this Franchise Agreement, any interest under this Agreement, or substantially all the assets of the Franchised Business only if we approve, and you comply with the provisions in this Section 15. A transfer includes the transfer of a controlling interest in the franchisee entity, either in one singular transaction or through an aggregation of multiple transactions; or a transfer or sale of all or substantially all of your assets. We shall not unreasonably withhold approval. If this Agreement is held by joint tenants or tenants in common, all joint tenants or tenants in common must join in any transfer of an ownership interest in this Agreement, except any person who is deceased or under a legal disability.

15.3 Transfer to a Controlled Entity. A "Controlled Entity" is an entity in which you are the beneficial owner of 100% of each class of voting ownership interest. A transfer to a Controlled Entity shall not trigger the Right of First Refusal, described in Section 15.6 below. At the time of the desired transfer of interest to a Controlled Entity, you must notify us in writing of the name of the Controlled Entity and the name and address of each officer, director, shareholder, member, partner, or similar person and their respective ownership interest. We do not charge a transfer fee for this change.

15.4 Transfer within an Entity. A transfer of interest within an entity shall not trigger the Right of First Refusal described in Section 15.6 below if only the percentage ownership, rather than the identity of the owners, is changing. Prior to the time of the desired transfer of interest within an entity, you must notify us in writing of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest. Each such person of the Controlled Entity shall sign the then current amendment and release forms and/or Franchise Agreement as required by us, and you shall pay to us the applicable transfer fee specified in Section 4 above.

15.5 Conditions for Approval of Transfer. We may condition our approval of any proposed sale or transfer of the franchised business or of your interest in this Agreement upon satisfaction of the following occurrences:

15.5.1 You are current in all monetary obligations to us, our affiliates, and our designated/approved suppliers and vendors;

15.5.2 You are in full compliance with this Agreement;

15.5.3 You execute any transfer, amendment, or release forms that we may require;

15.5.4 You or the transferee will provide to us a copy of the proposed documents as we may request to evidence the transfer;

For a transfer under Section 15.2 above, the following conditions also apply:

15.5.5 The transferee must be approved by us and demonstrate to our satisfaction that s/he meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement;

15.5.6 The transferee must execute our then-current Franchise Agreement;

15.5.7 You or the transferee must pay to us the Transfer Fee specified in Section 4 above;

15.5.8 The transferee must satisfactorily complete our initial training program at the transferee's expense within the time frame we establish;

15.5.9 You must comply with the post-termination provisions of this Agreement;

15.5.10 The transferee must obtain within the time limits set by us and maintain thereafter, all permits and licenses required for operation of the Franchised Business;

15.5.11 To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

15.5.12 The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

15.5.13 The purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation and performance under its franchise agreement;

15.5.14 You must request that we provide the prospective transferee with our current franchise disclosure document;

15.5.15 Our approval of the transfer will not constitute a waiver of any claims we may have against the transferring party;

15.5.16 We will have the right to disclose to any prospective transferee such revenue reports and other financial information concerning the Franchised Business as you have supplied us hereunder; and

15.5.17 In any event, we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise.

15.6 Right of First Refusal. If you have received and desire to accept a signed, bona fide offer to purchase or otherwise transfer the Franchise Agreement, any interest in it, or substantially all the assets of the Franchised Business, you shall grant us the option (the "Right of First Refusal") to purchase the Franchised Business as provided here:

- a) Within fourteen (14) days of receipt of the offer, you shall offer the Right of First Refusal to us by notice in writing, including a copy of the signed offer to purchase which you received (“Notice”). We shall have the right to purchase the Franchised Business or interest in the Franchised Business at and for the price and upon the terms set out in the Notice, except that we may substitute cash for any non-cash form of payment proposed and we shall have 60 days after the exercise of our Right of First Refusal to close the said purchase. Should we wish to exercise our Right of First Refusal, we will notify you in writing within 15 days from its receipt of the Notice. Upon the giving of such notice by us, there shall immediately arise between us and you, or its owners, a binding contract of purchase and sale at the price and upon the terms contained in the Notice.
- b) If we do not exercise our Rights of First Refusal, you may transfer the Franchised Business or ownership interest therein according to the terms set forth in the Notice, provided that you satisfy the conditions in Section 15.5 above and complete the sale within 90 days from the day on which we received the Notice. If you do not conclude the proposed sale transaction within the 90-day period, the Right of First Refusal granted to us shall continue in full force and effect.

16. DEATH OR INCAPACITY

In the event of your death or incapacity, you, or your estate, as the case may be, must actively begin the process to seek a transfer of your rights under this Agreement within 60 days and must complete the transfer within 6 months of your death or incapacity. If you or your estate fails in either respect, then we may terminate this Agreement. The new Franchisee must pay the transfer fee specified above, meet our qualifications, complete initial training, and enter into a new Franchise Agreement. And we are entitled to reimbursement from you or your estate for any actual expenses incurred continuing Services from the date of your death or incapacity until transfer or termination. The term “incapacity” means a condition that prevents you from reasonably carrying out your duties under this Agreement.

17. MODIFICATION

No modifications to this Agreement will have any effect unless such modification is in writing and signed by you and by our authorized officer. We may, however, modify the provisions of the Manual, without your consent, as discussed in Section 5.

18. NON-WAIVER OF BREACH

The failure of either party to enforce any one or more of the terms or conditions of this Agreement shall not be deemed a waiver of such terms or conditions or of either party's rights thereafter to enforce each and every term and condition of this Agreement.

19. FULL UNDERSTANDING

This Agreement, including the schedules, is the entire agreement between the parties. This Agreement supersedes all other prior oral and written agreements and understandings between you and us with

respect to the subject matter of this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document we furnished to you.

20. GOVERNING LAW

20.1 Choice of Law. Except as to claims governed by federal law, Delaware law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties (“Claims”). However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

20.2 Jurisdiction and Venue. You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to our corporate headquarters, presently located in Wilmington, Delaware. However, if you are an Illinois resident or your franchise territory is located in Illinois, Maryland, or Washington State, you agree to bring any Claims, if at all, solely in arbitration before the American Arbitration Association in the city or county where our corporate headquarters are located.

20.3 Jury Waiver. In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

20.4 Class Action Waiver. You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

20.5 Punitive Damages Waiver. As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

20.6 Limitation of Actions. You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

20.7 Prior Notice of Claims. As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

20.8 Mediation. Before you may bring any Claim against us, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we can not mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association (“AAA”), and split any AAA and mediator fees equally.

20.9 Waiver of bond. You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

20.10 Attorney Fees. If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

20.11 Third Party Beneficiaries. Our officers, directors, members, shareholders, agents, and employees are express third party beneficiaries of the terms of the Governing Law provisions contained herein.

20.12 Survival. All of the covenants contained in this Agreement that may require performance after the termination or expirations of this Agreement will survive any termination or expiration of this Agreement.

20.13 Severability Clause. If any covenant or provision in this Agreement is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision of this Agreement.

21. RELEASE OF PRIOR CLAIMS

By executing this Agreement, the undersigned entity, if any, and individuals, on behalf of yourselves and your heirs, legal representatives, successors and assigns, and each assignee of this Agreement, forever releases and discharges us, our past and present employees, agents, members, officers, and directors, including any of our parent, subsidiary and affiliated entities, their respective past and present employees, agents, members, officers, and directors, from any and all claims relating to or arising out of any franchise agreement between the parties executed prior to the date of this Agreement, and all other claims relating to any dealings between any of the parties. However, this release does not apply to any claim you may have arising from representations in our Franchise Disclosure Document, or its exhibits or amendments.

22. NOTICES

You shall give any required notice or request in writing by mail or courier, postage fully prepaid, delivered personally, or by facsimile, to our CEO, at our corporate office, presently 2201 Francisco Dr. Suite 140-544, El Dorado Hills, CA 95762. Telephone: (408) 318-5606. We may also give any such notice to you in the same manner at the address indicated below your signature on this Agreement, such other more current address as we may have for you, or by e-mail.

23. ACKNOWLEDGMENTS

You acknowledge that you have read our Franchise Disclosure Document and this Agreement and that you are familiar with their contents. You acknowledge that you have independently investigated the business offered hereunder and base your decision to purchase solely on such investigation. You acknowledge that we have recommended, and that you have had the opportunity to obtain, review of this Agreement and our Franchise Disclosure Document ("FDD") by your lawyer, accountant or other business advisor prior to execution. Except as may be stated in Item 19 of our Franchise Disclosure Document, you acknowledge that no person is authorized to make and no person has made any representations to you as to the actual, projected or potential sales, volumes, revenues, profits or success

of our franchise. You further acknowledge and agree that you are not a third party beneficiary to any agreement between us and any other franchisee.

24. GUARANTY

The Franchisee named at the top of the following page agrees to abide by the terms of this Agreement. The signature of an individual or individuals as sole proprietors, joint tenants, or tenants in common constitutes their personal agreement to such terms. The signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.

In addition, the signatures of all individuals below, in any capacity, also constitute their personal joint and several agreement to perform all the obligations in and relating to this Agreement, including, but not limited to, the obligations stated in **Paragraphs 12-14 above**, the obligation to make specified payments, and pay any other debts due to us. All Signators below waive any right to presentment, demand, notice of non-performance, or the right to require us to proceed against the other Signators.

Franchisee: _____ Entity Number: _____

Type: _____ (Sole Proprietor, LLC, Corp., Joint Tenants with Right of Survivorship ("JTROS"), Tenants in Common, Partnership).*

SIGNATORS:

By: _____ By: _____
(Signature) (Signature)

(Printed Name) (Printed Name)

Title: _____ Title: _____

Address: _____ Address: _____

Ownership Percent: _____ % (see note below) Ownership Percent: _____ % (see note below)

By: _____ By: _____
(Signature) (Signature)

(Printed Name) (Printed Name)

Title: _____ Title: _____

Address: _____ Address: _____

Ownership Percent: _____ % (see note below) Ownership Percent: _____ % (see note below)

Bin Masters Franchising USA INC.

By: _____ Effective Date: _____
Dennis Mulgannon, CEO

***Joint Tenants with Right of Survivorship is typically for married couples and must be owned equally by each tenant, 50-50 for two owners, and if one spouse passes away, the other automatically receives the decedent's share. Tenants in common is normally for non-spouses and if one passes away, his or her share passes by will or state law to his or her heirs.**

**SCHEDULE 1 TO THE FRANCHISE AGREEMENT
TERRITORY**

Your Territory shall be as follows:

SCHEDULE 2
AUTOMATIC BANK DRAFT AUTHORIZATION

ACH Origination Authorization

Please complete the following with your banking information and attach a voided check:

Company Name: _____

Name of Financial Institution: _____

Address of Financial Institution: _____

Routing Number: _____

Account Number: _____

I hereby authorize Bin Masters Franchising USA INC. and the financial institution named above to initiate entries to my checking or savings accounts as identified above in accordance with the terms of my franchise agreement and, if necessary, to initiate adjustments for any transactions credited in error. This authority will remain in effect until I notify either Bin Masters Franchising USA INC. or the above-named financial institution in writing to cancel it in such time as to afford a reasonable opportunity to act on such instructions. I can stop payment of any entry by notifying the above-named financial institution at least 3 days before my account is scheduled to be charged. I can have the amount of an erroneous charge immediately credited to my account for up to 15 days following issuance of my statement by the above-referenced financial institution or up to 60 days after deposit, whichever occurs first.

Signature: _____

Printed Name of Person Signing: _____

Title (if any): _____

Application Date: _____

Telephone Number: _____

Applicant's Address: _____

SCHEDULE 3

FRANCHISEE DISCLOSURE ACKNOWLEDGEMENT

[Not to be used as to any franchise sale in or to residents of CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI]

You and we are preparing to enter into a Franchise Agreement. This Acknowledgement is to determine whether any statements or promises were made to you that we did not authorize or are untrue, inaccurate or misleading, to ensure you have been properly represented, and that you understand the limitations on claims you may make relating to your franchise. **You cannot sign or date this Acknowledgement the same day as the Receipt for the Franchise Disclosure Document. You must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses.

- | | | | |
|-------|------|----|---|
| Yes__ | No__ | 1. | Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it? |
| Yes__ | No__ | 2. | Do you understand all the information contained in the Franchise Agreement? |
| Yes__ | No__ | 3. | Have you received and personally reviewed the Franchise Disclosure Document we provided? |
| Yes__ | No__ | 4. | Do you understand all the information contained in the Franchise Disclosure Document? |
| Yes__ | No__ | 5. | Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor? |
| Yes__ | No__ | 6. | Do you understand the risks of developing and operating this franchise? |
| Yes__ | No__ | 7. | Do you understand that your investment involves substantial business risks and that there is no guarantee that your business will be profitable? |
| Yes__ | No__ | 8. | Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, the economy, labor and supply costs and other relevant factors? |
| Yes__ | No__ | 9. | Do you acknowledge that the success of your franchise in large part relies upon your ability as an independent business person and your active participation in the day to day operation of the business? |

Yes__ No__ 10. Do you agree that no employee or other person speaking on our behalf has made any statement, promise, or agreement, that is contrary to or different from what is stated in the Franchise Disclosure Document and Franchise Agreement?

Yes__ No__ 11. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue you will generate, that is not contained in Item 19 of the Franchise Disclosure Document or that is contrary to, or different from, the information contained in Item 19 of the Franchise Disclosure Document, and that you have not made a decision to purchase your franchise based on any such representations?

Yes__ No__ 12. Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning this franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any 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.

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.

By signing below, you are representing that you have responded truthfully to the above questions.

[Not to be signed as to any franchise sale in or to residents of CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI]

Name of Applicant (please print)

Signature

Date: _____

Explanation of any negative responses (Refer to Question Number):

SCHEDULE 4

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this “ADA” or “Agreement”) is entered into by and between **Bin Masters Franchising USA Inc.** (“we” or “us”) and _____ (“developer” or “you”).

RECITALS

You desire to develop and operate several franchised locations and we, in reliance on your representations, have approved your franchise application to do so in accordance with this Agreement.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

1. Development Area. You are acquiring the following territories from us for the zip codes as shown below:

_____ (“First Territory”)

_____ (“Second Territory”)

_____ (“Third Territory”)

_____ (“Fourth Territory”)

_____ (“Fifth Territory”)

2. Development Fee: You shall pay to us the regular initial franchise fee for the first territory. For additional territories, the initial franchise fee is \$_____ per territory (\$60,000 minimum plus \$20 per Qualified Business in your territory in excess of 3,000 such businesss (“Development Fee”). You agree to pay to us the applicable initial franchise fee and the Development Fee for the additional territories at the time you sign this ADA.

3. Development Schedule. You agree that you shall sign a franchise agreement and be open for business in each additional territory according to the following Development Schedule:

Territory Number	Date by Which You Must Have a Signed Franchise Agreement	Date by Which You Must be Open for Business
1	N/A	Per Franchise Agreement
2		
3		
4		
5		

4. Initial Training. You are not required to re-attend initial training or pay any fees associated with initial training in connection with the second or any further additional franchise agreements executed pursuant to this ADA.
5. Default and Termination. If you fail to meet or satisfy the timing in the above Development Schedule, we may give you written notice of the default and if such default is not cured within thirty (30) days after notice of the default, we may terminate your rights to develop any territories as to which you have breached the above Development Schedule.

You agree that for our consideration in allowing the Development Schedule set forth above, we may keep as non-refundable all initial franchise fees and Development Fee you may have paid to us at any time.

6. Execution of Franchise Agreement. You will execute our then-current form of franchise agreement for each territory identified in Paragraph 1 of this ADA, pursuant to the Development Schedule above, before taking steps to develop the outlet, which such franchise agreement may contain different or additional terms than those set forth in any franchise agreement signed concurrently with this ADA; however, you will not be required to pay any additional initial franchise fees or attend additional initial training programs.
7. Entire Agreement. This Agreement and all related agreements executed simultaneously with this Agreement constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between you and us on the matters contained in this Agreement; but nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you.

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms of this ADA control.

Except to the extent modified above, the terms of the Franchise Agreement remain in full force and effect.

Developer:

Franchisor:

Bin Masters Franchising USA Inc.

By: _____
Signature

By: _____
Sean Hansen, COO

Effective Date: _____

**ILLINOIS ADDENDUM
TO THE AREA DEVELOPMENT AGREEMENT**

If any of the terms of the Area Development Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Area Development Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. 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.

FRANCHISEE:

By:_____

By:_____

FRANCHISOR:

Bin Masters Franchising USA Inc.

By:_____

Dennis Mulgannon, CEO

Date:_____

SCHEDULE 5
STATE ADDENDA TO THE FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Sections 10.2 and 10.3 are deleted and in their place are substituted the following:

10.2 Termination by Us Without Right to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 10.3 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

10.3 Termination by Us with Opportunity to Cure. We may terminate this Agreement, after sending you notice and a 60 day opportunity to cure, for any other breach of this Agreement.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other

person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

FRANCHISEE:

By:_____

By:_____

FRANCHISOR:

Bin Masters Franchising USA Inc.

By:_____

Dennis Mulgannon, CEO

Date:_____

**ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Franchisee rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. 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.

FRANCHISEE:

By:_____

By:_____

FRANCHISOR:

Bin Masters Franchising USA Inc.

By:_____

Dennis Mulgannon, CEO

Date:_____

**MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

3. A 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.

4. 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.

5. 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.

FRANCHISEE:

FRANCHISOR:

Bin Masters Franchising USA Inc.

By: _____

By: _____
Dennis Mulgannon, CEO

By: _____

Date: _____

MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. 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 (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 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.
- 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.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

FRANCHISEE:

By:_____

By:_____

FRANCHISOR:

Bin Masters Franchising USA Inc.

By:_____

Dennis Mulgannon, CEO

Date:_____

**RHODE ISLAND ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

4. The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

5. You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

FRANCHISEE:

By:_____

By:_____

FRANCHISOR:

Bin Masters Franchising USA Inc.

By:_____

Dennis Mulgannon, CEO

Date:_____

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

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

RCW 19.100.180 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 or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:

FRANCHISOR:

Bin Masters Franchising USA Inc.

By: _____

By: _____

Dennis Mulgannon, CEO

By: _____

Date: _____

**WISCONSIN ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the Franchise Agreement contains any provision that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.
2. The Franchise Agreement is amended to also include the following language:

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

FRANCHISEE:

FRANCHISOR:

Bin Masters Franchising USA Inc.

By: _____

By: _____
Dennis Mulgannon, CEO

**EXHIBIT D
RELEASE**

THIS RELEASE is made and given by _____,
("Releasor") with reference to the following facts:

1. Releasor and Bin Masters Franchising USA INC. (Releasee) are parties to one or more franchise agreements.
2. The following consideration is given:

_____ the execution by Releasor of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise"); or

_____ Releasor's consent to Releasee's transfer of its rights and duties under the Franchise Agreement; or

_____ Releasor's consent to Releasee's assumption of rights and duties under the Franchise Agreement; or

_____ [insert description]

3. Release- Franchisee and all of Franchisee's guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against Released Parties or any of them up through and including the date of this Release.
4. THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.
5. California Releasor- You represent and warrant that YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

6. The above Release shall not apply to any liabilities arising under the California Franchise Investment Law, the California Franchise Relations Act, Indiana Code § 23-2-2.5.1 through 23-2-2.7-7, the Maryland Franchise Registration and Disclosure Law, Michigan Franchise Investment Law, Minnesota Franchise Act, North Dakota franchise laws, the Rhode Island Investment Act, and the Washington Franchise Investment Protection Act.

FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

FRANCHISOR:

BIN MASTERS FRANCHISING USA INC.

By: _____
Dennis Mulgannon, CEO

Date: _____

EXHIBIT E

LIST OF CURRENT FRANCHISEES

The following is a list of the names of all Franchisees and the address and telephone number of each of their outlets as of the end of our most recently completed fiscal year.

Operational Outlets (as of 12/31/2022):

None

Franchise Agreement Signed But Outlet Not Yet Open (as of 12/31/2022):

None

*****Indicates Area Developer**

EXHIBIT F

LIST OF FORMER FRANCHISEES

The following is a list of Franchisees who had an outlet terminated, cancelled, not renewed or otherwise ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who had not communicated with us within ten weeks of the date of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

None

EXHIBIT G

Financial Statements

Bin Masters Franchising USA, Inc.

**Independent Auditor's Report
And
Balance Sheet Statement
February 07, 2023**

Table of Contents

Independent Auditor's Report	3
Balance Sheet	5
Notes to Financial Statement	6

Metwally CPA PLLC**CERTIFIED PUBLIC ACCOUNTANT**

4500 Mercantile Plaza Dr STE 300, Fort Worth TX 76137

Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the Stockholders of
Bin Masters Franchising USA, Inc.
2201 Francisco Dr #140 -544
Eldorado Hills, CA 95762

Opinion

We have audited the accompanying Balance Sheet of Bin Masters Franchising USA, Inc. (a Delaware Corporation) as of February 07, 2023, and the related notes to the Financial Statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Bin Masters Franchising USA, Inc. as of February 07, 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Bin Masters Franchising USA, Inc. 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.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement 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 financial statement that is 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 Bin Masters Franchising USA, Inc.'s ability to continue as a going concern within one year after the date that the financial statement is available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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, including omissions, 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 statement.

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 statement, 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 statement.
- 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 Bin Masters Franchising USA, Inc.'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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bin Masters Franchising USA, Inc.'s ability to continue as a going concern for a reasonable period.

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.

Metwally CPA PLLC

Metwally CPA PLLC
Fort Worth, Texas
February 21, 2023

Bin Masters Franchising USA, Inc.
February 07, 2023
Balance Sheet

Assets

Current Assets

Cash and cash equivalents	\$110,000
---------------------------	-----------

Total Current Assets	<u>\$110,000</u>
-----------------------------	-------------------------

Liabilities and Stockholders' Equity

Total Liabilities	\$0
--------------------------	------------

Common stock no par value, authorized shares, issued and outstanding 100 shares	0
--	---

Additional paid in capital	110,000
----------------------------	---------

Total Liabilities and Stockholders' Equity	<u>\$110,000</u>
---	-------------------------

The accompanying notes are an integral part of the financial statement.

Bin Masters Franchising USA, Inc.

February 07, 2023

Notes to Financial Statement

1. COMPANY AND DESCRIPTION OF BUSINESS

Bin Masters Franchising USA, Inc. (the “Company”) is a Delaware franchise corporation, that was formed on May 13, 2022, under the laws of the State of Delaware for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their own business. The Company offers qualified individuals the right to operate a business that offers entrepreneurs who want to take a full bin of garbage and turn it into a less full bin of garbage. The Company has developed a unique system of uniform standards, specifications, methods, procedures, practices, techniques, particular skills, know-how, equipment, materials, and marketing strategies with respect to the establishment and operation of a distinctive mobile waste management and compaction business utilizing specialized equipment, operating systems, marketing and advertising programs, communication programs, and customer service systems (“Products and Services”) for waste management services operating in association with the “Bin Masters” trademark and other Intellectual Property.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the Company’s financial statement. The financial statement and notes are representations of the Company’s management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statement.

A. Basis of Accounting

The financial statement was prepared in conformity with accounting principles generally accepted in the United State of America (“US GAAP”).

B. Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

C. Federal Income Taxes

The Company is subject to tax filing requirements as a C Corporation in the federal jurisdiction of the United States. The Company was established in May 2022; therefore, its tax return is not due to filing till April of the following year. The Company is subject to franchise and income tax filing requirements in the States of Delaware.

D. Use Of Estimates

The preparation of our Company’s financial statement requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statement and the reported amounts of revenues, costs, and expenses during the reporting period. Actual results could differ significantly from those estimates. Significant estimates include our provisions for bad debts, franchisee rescissions and refunds, and legal estimates. It is at least reasonably possible that a change in the estimates will occur in the near term.

E. Debt

The entity accounts for debt as current if the debt is due within one year of the balance sheet date or is cancelable or callable. The Company accounts for debt as noncurrent if the obligation does not expire or is due within one year.

F. Revenue Recognition

Revenue is recognized in accordance with ASC Topic 606, Revenue from Contracts with Customers. The Company adopted ASU 2021-02 Franchisors - Revenue from Contracts with Customers (Subtopic 952-606) effective with the application of ASC Topic 606. The ASU provides a practical expedient to ASU2014-09 Revenue from contracts with Customers (Topic 606). The new guidance allows franchisors to simplify the application of the guidance about identifying performance obligations for franchisors that perform pre-opening services by allowing a franchisor to account for pre-opening services as distinct if they are consistent with those included in a predefined list of pre-opening services.

Franchise Fees

The franchise arrangement between the Company and each franchise owner is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company before opening are distinguished from the franchise license. Therefore, the Company recognizes franchise fees as two performance obligations. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.

The transaction price in a standard franchise arrangement consists of (a) franchise/development fees; (b) Marketing, brand development and royalties Fees and (c) IT Fees; (d) Annual Conference Fees. The Company utilize ASC 606 five-steps revenue recognition model as follows:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

The terms of the Company's franchise agreement will be as follows:

- The Company will grant the right to use the Company name, trademark, and system in the franchisee's franchise development business.
- The franchisee is obligated to pay a non-refundable initial franchise fee.
- The franchisee is obligated to pay a monthly royalties, marketing, IT, and annual conference fees. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following different sources: The Company recognizes franchise fees as two (2) performance obligations. The first, pre-opening services, including access to manuals, assistance in site selection, and initial training, have been determined to be distinct services offered to franchisees. Pre-opening services are earned over a period using an input method of completion based on costs incurred for each franchisee at the end of each year.

The second, access to the franchise license, has been determined to be distinct. The amount allocated to the franchise license is earned over time as performance obligations are satisfied due to the continuous transfer of control to the franchisee. Franchise and development fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically 10 years while successive agreement terms are typically 5 years.

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty fees and brand development (advertising). These fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered because the variable payment relates specifically to the performance obligation of using the license.

Contract Assets and Liabilities

Contract assets will consist of franchise contract costs paid to facilitate the franchise sale and will be amortized over the expected life of the franchisee. Contract liabilities consist of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Contract liabilities are a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed.

The Company didn't generate any revenue as of the balance sheet date but will be implementing ASC 606 to recognize its revenue once a sale has been made.

3. EQUITY

Under the articles of incorporation, the total number of common shares of stock that the Corporation shall have authority to issue is 100 shares with no par value, issued and outstanding. As of February 07, 2023, the entity had \$110,000 in additional paid in capital.

4. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 21, 2023, which is the date the financial statement was available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statement.

EXHIBIT H

Operations Manual Table of Contents

<u>Chapter Name</u>	<u>Page Count</u>
Table of Contents	6
Chapter 1: Introduction	5
Chapter 2: Welcome to Bin Masters	3
Chapter 3: Support Resources	2
Chapter 4: Pre-opening Timetable and Obligations	11
Chapter 5: Training Requirements	3
Chapter 6: Staffing Your Bin Masters Franchise	5
Chapter 7: Company Policies	4
Chapter 8: Operation and Maintenance	2
Chapter 9: Equipment, Computer Systems, Inventory, and Supplies	2
Chapter 10: Administration	3
Chapter 11: Reports, Audits, and Inspections	2
Chapter 12: Vehicle Administration	2
Chapter 13: Marketing	3
Chapter 14: Sales and Pricing	1
Chapter 15: Insurance Requirements and Risk Management	3
Chapter 16: Corporate Structure and Financing	7
Chapter 17: Trademarks and Trade Secrets – Protection Policies	3
Chapter 18: Renewal, Transfer and Closing	4
Chapter 19: Expansion and Relocation Requirements	1
Thank you for Franchising with Bin Masters!	1
Total Pages	70

EXHIBIT I
AREA REPRESENTATIVE DISCLOSURES

The following constitutes disclosures about our Area Representatives as to Items 2, 3, 4, and 11:

Item 2 Business Experience

As of December 31, 2022, we did not yet have any Area Representatives

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 11 Franchisor's Assistance, Advertising, Computer Systems, and Training

The Area Representatives listed above may offer certain assistance to you with respect to initial training, site selection, and operational support.

We list the nature and length of each Area Representative's experience in the field and with the franchisor in Item 2 above.

EXHIBIT J

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:

State	Effective Date
California	Pending
Illinois	March 9, 2023
Indiana	February 24, 2023
Maryland	Pending
Michigan	February 27, 2023
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	February 24, 2023

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.

EXHIBIT K RECEIPT

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 Bin Masters Franchising USA INC. offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

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.

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.

If we do 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, D.C. 20580 and the state agency listed on Exhibit A.

The franchisor is Bin Masters Franchising USA INC. located at 2201 Francisco Dr. Suite 140-544, Sacramento, California. Its telephone number is (408) 318-5606.

Issuance Date: February 21, 2023

The franchise seller for this offering is:

X	Sean Hansen, 2201 Francisco Dr. Suite 140-544, El Dorado Hills, CA 95762; (408) 318-5606
X	Dennis Mulgannon, 2201 Francisco Dr. Suite 140-544, El Dorado Hills, CA 95762; (408) 318-5606

We authorize the respective state agencies identified in Exhibit A to receive service of process for us in the particular state.

I have received a disclosure document dated February 21, 2023 that included the following Exhibits:

- A. List of State Administrators and Registered Agents
- B. State Addenda to the Disclosure Document
- C. Franchise Agreement
Schedule 1-Territory

Schedule 2-Automatic Bank Draft Authorization
Schedule 3-Franchisee Disclosure Acknowledgment
Schedule 4-Area Development Agreement
Schedule 5-State Addenda to the Franchise Agreement

- D. Release
- E. List of Current Franchisees
- F. List of Former Franchisees
- G. Financial Statements
- H. Table of Contents of Operations Manual
- I. List of Area Representatives
- J. State Effective Dates
- K. Receipts

PROSPECTIVE FRANCHISEE:

Date you received this Disclosure Document

If an individual:

If a business entity:

Name of Business Entity

Signature

By:

Signature

Printed Name

Printed Name/Title

Address

Address

(Telephone number)

(Telephone number)

Please sign, date, and retain this copy for your records.

EXHIBIT I RECEIPT

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 Bin Masters Franchising USA Inc. offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

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.

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.

If we do 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, D.C. 20580 and the state agency listed on Exhibit A.

The franchisor is Bin Masters Franchising USA INC. located at 2201 Francisco Dr. Suite 140-544, Sacramento, CaliforniaE. Its telephone number is (408) 318-5606.

Issuance Date: February 21, 2023

The franchise seller for this offering is:

X	Sean Hansen, 2201 Francisco Dr. Suite 140-544, El Dorado Hills, CA 95762; (408) 318-5606
X	Dennis Mulgannon, 2201 Francisco Dr. Suite 140-544, El Dorado Hills, CA 95762; (408) 318-5606

We authorize the respective state agencies identified in Exhibit A to receive service of process for us in the particular state.

I have received a disclosure document dated February 21, 2023 that included the following Exhibits:

- A. List of State Administrators and Registered Agents
- B. State Addenda to the Disclosure Document
- C. Franchise Agreement
Schedule 1-Territory

Schedule 2-Automatic Bank Draft Authorization
Schedule 3-Franchisee Disclosure Acknowledgment
Schedule 4-Area Development Agreement
Schedule 5-State Addenda to the Franchise Agreement

- D. Release
- E. List of Current Franchisees
- F. List of Former Franchisees
- G. Financial Statements
- H. Table of Contents of Operations Manual
- I. List of Area Representatives
- J. State Effective Dates
- K. Receipts

PROSPECTIVE FRANCHISEE:

Date you received this Disclosure Document

If an individual:

If a business entity:

Name of Business Entity

Signature

By: _____
Signature

Printed Name

Printed Name/Title

Address

Address

(Telephone number)

(Telephone number)

Please sign, date, and return this copy to us.