

STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

Registered:

California	
Illinois	May 28, 2019
Indiana	May 21, 2019
Maryland	May 29, 2019
Michigan	June 20, 2019
Minnesota	
New York	
Virginia	
Washington	
Wisconsin	May 10, 2019

**ADDENDUM TO CLOTHES BIN FRANCHISE AGREEMENT
FOR USE IN CALIFORNIA**

This Addendum ("Addendum") is entered into this _____, 20__ (the "Effective Date"), between FLSC RECYCLING LLC, a Florida limited liability company ("Franchisor"), and _____, a _____ (referred to in this Addendum as "Franchisee") and amends the Franchise Agreement between Franchisor and Franchisee dated as of the Effective Date (the "Franchise Agreement"), as follows:

1. **Deferral of Initial Franchise Fees.** Section 2.1 of the Franchise Agreement is amended to include the following:

The Initial Franchise Fee is payable in immediately available funds and is due upon Franchisor's completion of its pre-opening obligations. In no event shall the Initial Franchise Fee be due any later than the date that Franchisee commences operation of the Clothes Bin Franchised Business.

2. **Precedence and Defined Terms.** Terms not otherwise defined in this Addendum shall have the meanings as defined in the Franchise Agreement.

Intending to be bound, Franchisor and Franchisee sign and deliver this Addendum effective on the Effective Date.

FRANCHISOR: FLSC Recycling, LLC

FRANCHISEE: _____

By: _____

By: _____

Name: _____

Name: _____

As its: _____

As its: _____

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of California:

1. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. The following statement is added to Item 3:

Neither FLSC Recycling, LLC, nor any person in Item 2 of the Disclosure Document is subject to any currently effective order or any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. 8.78(a) et seq., suspending or expelling such persons from membership in such association or exchange.

3. The following statement is added to Item 5:

To avoid an impound by the California Department of Business Oversight under Title 10, California Administrative Code, Section 310.113, the Franchisor has agreed to postpone the payment of the Initial Franchise Fee for each Clothes Bin Business to be located in California until after the Franchisor's pre-opening obligations are complete. Therefore, you will not be required to pay the Initial Franchise Fee until after Franchisor has performed its pre-opening obligations set forth in Item 11 of the FDD, but not later than the date your Clothes Bin Business commences operation.

4. The following statements are added to Item 17:

- I. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
- II. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
- III. 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.
- IV. The franchise agreement requires application of the laws of Florida. This provision may not be enforceable under California law.
- V. The Franchise Agreement requires binding arbitration. The arbitration will occur in Miami, Florida with the cost being borne by the parties as determined by the arbitrator.