FRANCHISE DISCLOSURE DOCUMENT

SMASH BROTHERS, LLC d/b/a Crushr®

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SMASH BROTHERS, LLC
A Kentucky Limited Liability Company
13011 West U.S. Highway 42, Suite 206
Prospect, KY 40059
(844) 236-8777
K Scott Dennison
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Smash Brothers, LLC d/b/a Crushr ("we", "us" or the "Franchisor") offers franchisees ("you" or the "Franchisee") the opportunity to operate a mobile commercial on-site trash compacting business currently under the trade name "Crushr" and associated logo shown above, utilizing a proprietary mobile trash pulverizer unit (a "Crushr Business" or "Franchised Business").

The total investment necessary to begin operation of a Crushr Business for one territory is $128,175 to $382,825. This includes $49,500 that must be paid to the franchisor or our affiliates.

The total investment necessary to enter into a development agreement for the right to develop three (3) Crushr Businesses is $203,175 to $457,825, which includes $124,500 fee that is paid to us or our affiliates. The total investment necessary to enter into a development agreement for the right to develop ten (10) Crushr Businesses is $413,175 to $667,825, which includes $334,500 that is paid to us or our affiliates. If you enter into a development agreement for the right to develop four (4) or more Crushr Businesses, the total investment necessary is equal to the range disclosed above plus an additional $30,000 for each Crushr Business we grant you the right to develop beyond the first three (3) Crushr Businesses.

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 governmental agency has verified the information contained in this Disclosure Document.**

You may wish to receive this Disclosure Document in another format that is more convenient for you. To discuss this availability of disclosures in different formats, please contact K. Scott Dennison at 13011 West U.S. Highway 42, Suite 206, Prospect, KY 40059 (844) 236-8777.

The terms of your franchise agreement will govern your franchise relationship. Don't rely on this Disclosure Document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement and this Disclosure Document 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 contract the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue N.W., Washington, D.C. 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: May 2, 2022

State Cover Sheet

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 Exhibit 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?	Exhibit A includes financial statements. Please 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 Crushr® 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 Crushr® franchisee?	Exhibit F lists the 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 May 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 a 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 G.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement or area development 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 and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Kentucky. 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 Kentucky than in your own state.

2. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

3. **Financial Condition**. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

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.

The State of Michigan requires us to include thefollowing notice in 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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(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 thetime of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials that 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, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 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. Thissection 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 thefranchisor or to cure any default in the franchise agreement existing at the time ofthe proposed transfer.

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State ofMichigan, 670 Williams Building, Lansing, Michigan 48913, Telephone (517) 373-7117.

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

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IF ANY STATE IN WHICH WE ARE OFFERING THIS FRANCHISE REQUIRES ADDITIONAL OR DIFFERENT DISCLOSURES THAN THOSE IN THE BODY OF THIS DISCLOSURE DOCUMENT, OR IF ANY STATE REQUIRES AMENDMENTS TO THE FRANCHISE AGREEMENT, THOSE DISCLOSURES AND AMENDMENTS ARE CONTAINED IN EXHIBIT D.

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

To simplify the language in this Disclosure Document, the words "we," "our" and "us" refer to Smash Brothers, LLC d/b/a Crushr, the Franchisor. "You" and "your" means the person or entity who buys a franchise, including the individual owners of an entity owned franchise. To fully understand all your and our rights and obligations to each other, you must still carefully review the actual agreements that you will execute. These will control if there is any dispute between us.

Franchisor and Affiliates

We are a Kentucky limited liability company organized on March 28, 2016. Our principal place of business is 13011 West U.S. Highway 42, Suite 206, Prospect, KY 40059. We do business under our corporate name and under the trade name "Crushr."

We do not have any predecessors or parents. Our registered agents are disclosed in Exhibit G.

We operate one business of the type being offered in this Disclosure Document (the "Company-Owned Outlet"), under the CRUSHR® and CRUSHR & Design® trademarks in Louisville, Kentucky. We may expand our operations into new territories or expand into other business lines. We currently operate an affiliated business known as Waste Brothers, LLC, which is in the business of providing dumpsters to residential clients.

Our affiliate, Crushr IP, LLC ("Crushr IP") a Delaware limited liability company with a principal business address of 13011 West U.S. Highway 42, Suite 206, Prospect, KY 40059, owns the Marks and intellectual property used in the Crushr System, which it licenses to us under a license agreement.

None of our affiliates will provide products or services to our franchisees. None of our affiliates offer franchises in any line of business.

Our Prior Business Experience

We began offering franchises of the type being described in this Disclosure Document in September, 2017, and have operated the Company-Owned Outlet since November 2016, with one additional Company-Owned Outlet opened in 2018, which additional Company-Owned Outlet was closed and the assets of which were subsequently sold to a franchisee in 2019. Neither we nor any affiliate were previously engaged in the business of the type to be operated by you. From September of 2017 to August of 2019 we offered franchises under the name "Smash-It". In September of 2019 we transitioned to the "Crushr" marks and have offered franchises under these marks since that date.

The Franchise Being Offered

We grant qualified franchisees the right to open and operate Crushr Businesses which offer mobile waste compaction services under the name "Crushr" and certain other proprietary marks within a protected territory. The purpose of the business is to reduce the costs of waste removal. This savings is accomplished by mounting a patented machine (the "Mobile Pulverizer") onto a truck that may drive on public roads and drive between commercial sites and smash or pulverize waste in dumpsters thus opening up more space in the dumpster (we refer to the vehicle with the Mobile Pulverizer installed as the "Installed Vehicle" in this Disclosure Document). By removing the excess space and compacting the trash therein, significantly more space is made available to put more trash into the dumpster. The same dumpster is used to hold more trash and when the trash is removed to a landfill fewer trips are needed as more trash is transferred to the landfill

by each trip. The cost savings from fewer needed trips to the landfill more than offsets the amounts paid to the Franchisee for its CRUSHR® services.

Multi-Unit Offering

We also offer qualified individuals and entities the right to open and operate multiple Crushr Businesses within a designated geographical area (the "Development Area") under our current form of area development agreement that is attached to this Disclosure Document as Exhibit C (the "Development Agreement"), which will also outline a schedule or defined period of time in which you must open and commence operating each franchise location (a "Development Schedule").

You will typically be required to sign a Franchise Agreement for your initial Crushr Business at the same time you sign your Development Agreement. In addition, you must sign our then-current form of franchise agreement for each additional Crushr Business you open under the Development Schedule, which may contain terms that are materially different from the terms of the Franchise Agreement that is attached to this Disclosure Document.

You will be required to pay us a one-time development fee that will be calculated based on the number of Crushr Businesses that we grant you the right to open under the Development Agreement, but you will not be required to pay us an initial franchise fee at the time you execute your franchise agreements for each individual Crushr Business we permit you to open under your Development Agreement.

The Market and Competition

Your Crushr Business will compete with other similar businesses. The market for waste compaction services is broad and in high demand but is emerging and under development. These competitive businesses will include commercial trash collection, removal and recycling companies. These companies may serve local, regional or national markets. The market for your services is developed and includes municipalities, owners or operators of commercial businesses, structures, sites, buildings and facilities that generate commercial waste and contractors providing construction, remodeling or demolition services to these owners and operators. Sales may decline in winter and other periods with inclement weather as construction activity decreases.

Applicable Regulations

Each municipality has divisions that monitor businesses to ensure they follow all applicable laws. Each jurisdiction will issue a business license if required. You should consult your own governmental authority's licensing and standards division for information about licenses or permits to do business, assumed name registrations and sales tax permits. We are aware of industry-specific regulations affecting the Franchised Business, including without limitation, labor and wage laws, health and safety and sanitation regulations, and safety requirements. There may be specific laws or regulations in your state or municipality regarding the operation of the Franchised Business. The laws in your state or municipality may be more or less stringent. You should examine these laws before purchasing a franchise from us. You may be required to obtain licenses, registrations, authorizations and permissions required under applicable federal, state or local laws to operate your Franchised Business.

Some jurisdictions may require a contractor's license for you to be able to operate, which may require you to have experience in order to qualify. We have made no investigation regarding the existence of any state or local laws, ordinances, regulations, taxes, or other restrictions applicable in any territory that could substantially affect your ability to operate the Franchised Business in all or a portion of any territory.

It is your responsibility to conduct such an investigation. Among other things, you should investigate whether there are any local ordinances, or special license requirements pertaining to the Franchised Business, or whether any city, town, or other governmental agency has issued or granted an exclusive right or license to another garbage or waste hauler that would bar your operations in that area, or whether there may exist any special restrictions that may limit your right to access a local transfer site or landfill. You may want to obtain a complete copy of your state's and other applicable statutes and regulations and discuss them with your attorney.

There are federal, state and local laws, rules, regulations and ordinances which may apply to the operation of your Franchised Business, including those which (a) regulate licensing and business conduct of employees and contractors that offer services in the construction and commercial waste hauling industry; (b) set standards pertaining to employee health and safety; (c) set standards and requirements for drivers of commercial vehicles; and (d) regulate the proper use, storage and disposal of waste and hazardous materials. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your franchise and should consider both their effect and cost of compliance.

ITEM 2. BUSINESS EXPERIENCE

K. Scott Dennison –President and CEO

Mr. Dennison has served as our President and Chief Executive Officer since our inception in March of 2016.

Thomas J. Floyd – Advisor

Mr. Floyd has been an advisor to the Franchisor since its inception in March 2016. Since June of 2008 to the present, he has also served as a principal in Denton Floyd Real Estate Group LLC (formerly DF Investment Group LLC), in Louisville, Kentucky. Mr. Floyd serves in his present capacity in Louisville, Kentucky.

Sarah Pritts – Chief Operating Officer

Mrs. Pritts has served as our Chief Operating Officer since January of 2022 and served previously as our Brand Manager from January 2017 to January 2022.

Trishia Mays – Director of Franchise Operations

Mrs. Mays has served as our the Director of Franchise Operations since April of 2022. Prior to then, Mrs. Mays was the Franchise Business Coach for Premium Service Brands from March 2021 to April 2022, Mrs. Mays served as the Franchise Business Coach for Premium Service Brands in Charlottesville, Virginia. From February 2019 to February 2021 Mrs. Mays served as the Franchise Business Consultant for GYMGUYZ in Plainview, New York. From August 2018 to February 2019, Mrs. Mays served as the Recruiting and Franchise Consultant for Farmers Insurance Group in Nashville, Tennessee. From December 2013 to December 2018 Mrs. Mays was an owner/operator of The Zone in Effingham, Illinois. Mrs. Mays serves in her current capacity in Effingham, Illinois.

David L. Fuller –Director of Sales

Mr. Fuller has represented Crushr as Director of Sales since April 2020. He also serves as Director of Global Business Development and Operations for Global Trade & Transport (3PL) in Houston, Texas and

has done so since January 2018, and as Partner of 512 Solutions in Tucson, Arizona and has done so since March 2017. Mr. Fuller is currently based in Houston, Texas.

ITEM 3. LITIGATION

Prior Actions

Smash Brothers, LLC v. Chris LaBarbera and Ernest Rodriguez., No. 3:2018cv00482 (W.D. Ky. filed July 20, 2018). In July of 2018 we sued Chris LaBarbera, as CEO, and Ernest Rodriguez, as President, of Smash-It, LLC, the holder and licensor of the 535 Patent (defined below) ("Smash-It") in federal court in the Western District of Kentucky for fraud, negligent misrepresentation, and for an award of punitive damages arising out of a dispute involving a certain patent license agreement dated July 26, 2016 between us and Smash-It (the "Patent License Agreement"). On August 22, 2019 the parties entered into a confidential settlement agreement (the "Smash-It Settlement") which provided us certain ongoing rights to license U.S. Patent No. 6,729,535 (the "535 Patent") that was the subject of the Patent License Agreement. Under the Smash-It Settlement, we are permitted to license and sublicense the 535 Patent which covers the Mobile Pulverizers that franchisees will use in the operation of their Crushr Businesses. Smash-It retained certain rights to purchase, import, use and sell equipment covered by the 535 Patent in the operation of their "Smash-It" business. We did not pay any compensation to Mr. LaBarbera, Mr. Rodriguez, or Smash-It as part of the Smash-It Settlement and we are under no obligation to do so for our continued right to license and sub-license the 535 Patent. As part of the Smash-It Settlement, the parties agreed to dismiss this action and an order of dismissal with prejudice was entered on August 28, 2019.

Smash-It, LLC v. Smash Brothers, LLC et al., No. 3:2018cv01169 (N.D. Cal. filed March 1, 2019). In March of 2019, Smash-It sued us, a number of our affiliates, the manufacturer of the Mobile Pulverizers, and several of our franchisees in the Northern District of California for patent and trademark infringement, unfair competition, misappropriation, intentional interference with a contractual relationship, intentional interference with prospective economic advantage, and inducing breach of contract. All of these claims arise out of our use of the 535 Patent under the Patent License Agreement, the sublicensing of the 535 Patent to our franchisees, and the use of certain registered and unregistered "Smash-It" trademarks (the "Smash-It Marks"). On August 22, 2019 the parties entered into the Smash-It Settlement which provided us certain ongoing rights to license and sub-license the 535 Patent. As part of the Smash-It Settlement, we agreed to discontinue using the Smash-It Marks for our Company-Owned Outlets and for our franchisees. We discontinued using the Smash-It Marks and transitioned to the "Crushr" marks for our Company-Owned Outlets and our franchisees in September of 2019. As part of the Smash-It Settlement, the parties agreed to dismiss this action and an order of dismissal with prejudice was entered on August 27, 2019.

Smash Brothers, LLC v. Smash-It, LLC., AAA Case No. 01-18-0002-8323 (Louisville, KY). As part of the dispute arising out of the Patent License Agreement, we instituted an arbitration action against Smash-It on July 24, 2018 which alleged identical claims to those alleged in our suit filed in the Western District of Kentucky that is disclosed above. As part of the Smash-It Settlement, the parties agreed to terminate the arbitration proceeding and the proceeding was terminated in August of 2019.

Other than these actions, 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

We require a non-refundable initial franchise fee (the "Franchise Fee") of $49,500.00 for the operation of a Crushr Business in a single territory (a "Protected Territory") consisting of a minimum of 2,500 potential qualified businesses that your Crushr 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. 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. The final and specific bounds of the Protected Territory will be provided in the Franchise Agreement. The initial Franchise Fee must be paid to us upon signing the Franchise Agreement.

If we determine that you are financially and operationally qualified to develop multiple Crushr Businesses, we may offer you the opportunity to enter into a Development Agreement, in which you will commit to develop a minimum of two (2) Crushr Businesses that you and we determine to be appropriate. If you enter into a Development Agreement, you must pay us a one-time development fee upon execution of your Development Agreement ("Development Fee"). Your Development Fee will depend on the number of Crushr Businesses we grant you the right to open within the Development Area, and is calculated as described in the table below:

Number of Crushr Businesses We Grant you the Right to Develop	Initial Franchise Fee	Cumulative Development Fee
1	$49,500	$49,500
2	$40,000	$89,500
3	$35,000	$124,500
4	$30,000	$154,500
5	$30,000	$184,500
6	$30,000	$214,500
7	$30,000	$244,500
8	$30,000	$274,500
9	$30,000	$304,500
10	$30,000	$334,500

If we grant you the right to develop more than ten (10) Crushr Businesses under a Development Agreement, the fee for each additional Crushr Business will be $30,000.

You will be required to enter into our then-current form of franchise agreement for each Crushr Business you wish to open under your Development Agreement, but you will not be required to pay any additional initial franchise fee at the time you execute each of these franchise agreements. If you enter into a Development Agreement, you must execute our current form of Franchise Agreement for the first initial Crushr Business we grant you the right to open within your Development Area concurrently with the Development Agreement. Unless we otherwise agree, each Crushr Business will require at least one Installed Vehicle for use in the operation of the Crushr Business within its respective Protected Territory.

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.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty or Minimum Continuing Fee	The greater of 8% of Gross Sales or a Minimum Continuing Fee equal to: $0 for the first 6 months after delivery of the Installed Vehicle $500 per month for months 7 to 12 after delivery of the Installed Vehicle $1,000 per month for months 13 and beyond after delivery of the Installed Vehicle.	Payable monthly via electronic funds transfer on or before the 10th day of the next month.	Gross Sales is defined in the Franchise Agreement and in Note (1) below. Royalty fee are reduced to 4% for a period of 6 months for franchisees who are veterans of the U.S. armed forces
Local Advertising Expenditure[2]	Minimum of $500 per month (see Note 2)	Monthly to advertisers	Each franchise is required to budget and spend for local advertising purposes for no less than $500 per month. We reserve the right to increase this to $1,000 per month.
Grand Opening Sales Support	$3,000, payable in three (3) equal installments of $1,000 per month in your first three (3) months of operations, paid in arrears after the opening of your business.	Payable in three equal installments of $1,000 each per invoices submitted by us paid in arrears after the opening of your business.	We will provide a grand opening marketing packet for your grand opening as well as back-office sales support for six months from the opening of your Crushr business.
Brand Fund[2]	Minimum of 1% of Gross Sales per month (Note 2).	Payable monthly via electronic funds transfer on or before the 10th day of the next month.	Franchisor has implemented a Brand Fund as further described in Note 2.

Type of Fee	Amount	Due Date	Remarks
Technology Fee	Currently $325/month. This amount includes your opening technology package. The Technology Fee will increase by 33% for each additional Installed Vehicle that we permit you to place into service, and for each additional user that you add to our software applications.	Monthly. Payable by the 10th of the month beginning in the month you open your Crushr Business	Currently includes fees related to your maintenance, licensing, access to, and usage of our designated software, (which includes a CRM software application for up to three (3) users, a software application for scheduling and routing customers for up to two (2) users, Google Workspace account, 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.
Cooperative Advertising or Brand Awareness	Currently there are no advertising co- ops. If advertising co-ops are established by us, you may be required to contribute up to 2% of total Gross Sales, as approved by a majority vote of the members of the co-op. (Note 2).	Established by co-op	Not currently assessed. If the Franchisor forms a regional advertising or brand awareness co-op, you must contribute to the co-op. Any amount you must contribute to the co-op will be credited against the required local advertising expenditure.
National Account Fee[3]	Up to 3%, Currently 0%	As incurred	If we manage accounts through a national or regional accounts program you will pay up to 3% of Gross Sales
Non-Compliance Fee	$500 per month	On Demand	We may charge you a fee of $500 per month payable to us for each month in which you are not in compliance with our system specifications or the Franchise Agreement after the first 30 days of non-compliance.
Reimbursement	Amounts we expend on your behalf to cover payments due from you to third parties plus an administrative charge of 10% of such amounts	On Demand	You are obligated to reimburse us for any amounts that you owe to third parties and which we pay on your behalf plus an administrative charge of 10% of such amounts payable to us
Renewal Fee	Twenty percent (20%) of the then current initial franchise fee	Payable on execution of new Franchise Agreement, no later than 30 days before expiration of initial ten (10) year term or the first renewal term.	This fee is non-refundable. There are two (2) separate renewal terms of five (5) years each.

Type of Fee	Amount	Due Date	Remarks
Additional Training Courses (Optional and Mandatory)	No charge for additional training programs for up to two (2) designated representatives.	Prior to start of additional training	There is no charge for optional or mandatory additional training courses for up to two (2) designated representatives. You will be required to pay us our then-current training fees (currently $2,000 per person) for additional personnel attending additional mandatory or optional training courses that we may offer. You will pay all costs incurred in such training (such as travel, room, board, wages, living expenses).
Insurance[4]	Amount of unpaid premiums	Upon demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Indemnification[5]	Amount of claims.	As incurred	Payable to us and other indemnified parties.
Audit	All amounts shown to be due, plus the cost of the audit	30 days after audit findings and billing	Payable only if audit shows an understatement of 2% or more of Gross Sales for any period.
Interest[6]	Lesser of highest legal rate and annual rate of eighteen percent (18%)	Continues to accrue until paid.	Payable if sums due us are not paid when due.
Installed Vehicle Late Payment Fee	1% per month of the balance owed on your Installed Vehicle if full payment is not made within 30 days of notification that your Installed Vehicle is available to you..	As incurred.	You must pay the entire purchase price of your Installed Vehicle within 30 days after we notify you that the Installed Vehicle is available to you. We will impose a monthly late fee equal to 1% of the purchase price of the Installed Vehicle if you fail to pay the entire purchase price of your Installed Vehicle within such 30-day period.
Transfer fee	$10,000 plus all brokerage commissions, finder fees and similar charges incurred by us in connection with the transfer of your franchise	On demand, prior to and as a condition of our consent to any proposed transfer	Payable to us as a condition of approval for transfer. No fee for transfer to corporation or entity that you own or control other than our costs to evaluate the proposed transfer.
National Meeting	$500 per franchise plus your cost of travel, lodging and meals off of the meeting premises	As incurred	You will be obligated to send one person to the annual national meeting of franchisor
Regional Meeting	$150 per franchise plus your cost of travel, lodging and meals off of the meeting premises	As incurred	You will be obligated to send one person to an annual regional meeting of franchisor

Type of Fee	Amount	Due Date	Remarks
Additional Driver Certification	$500 per day, plus travel and living expenses.	As incurred	Each additional or replacement driver hired by you must participate in our driver training program. We will provide instructors at a cost of $500 per day, and you are responsible for travel and living expenses of the replacement driver if they participate in Additional Driver Certification at our headquarters, and for our travel and living expenses if we send personnel to your territory to conduct Additional Driver Certification training.

Notes:

1. Except as noted, all Continuing Fees are uniform, imposed by and are payable to us. All Continuing Fees are non-refundable. The Continuing Fees equal the greater of 8% of Gross Sales or the Minimum Continuing Fee described in the following Minimum Continuing Fee Schedule:

Period of Months after Delivery of the Installed Vehicle to You	Minimum Continuing Fee
0 to 6 months	$0
6 to 12 months	$500 per month
12 months and thereafter	$1,000 per month

The term "Gross Sales," as used in the Franchise Agreement, shall mean the aggregate gross amount of all revenues from whatever source derived (whether in the form of cash, credit, agreements to pay or other consideration, and whether or not payment is received at the time of sale or any such amounts prove un-collectible) which arise from or are derived by Franchisee or by any other person from business conducted or which originated in, on, from, or through the Crushr System, the Installed Vehicle, or from the sale of any products or services associated with the use of the Licensed Marks, whether such business is conducted in compliance with or in violation of the terms of this Agreement, excluding only sales or other tax receipts (the collection of which is required by law).

If the Franchisee's principal owner is a veteran of the United States armed forces, the Continuing Fees during the first six (6) months of operation shall be reduced to 4% of Gross Sales.

2. The Franchise Agreement requires you to spend a minimum of $500 per month on local advertising, although we may increase the local advertising spending requirement to a minimum of $1,000 per month in our sole and absolute discretion. Franchisor has also established systems that require (a) payment of brand awareness fees to the Franchisor; or (b) formation of and payments to regional advertising or brand awareness co-ops. The required national brand awareness fee payable to us is 1% of Gross Sales per month and the co-op payment shall be determined by the co-op and approved by us, but it shall be a minimum of 2% on Gross Sales per month. Any payment by you to a regional co-op will count against the minimum required local advertising expenditure (but not the payments to the Brand Fund). We have not determined whether or on what basis the Franchisor (including through Company-Owned Outlets) will have any controlling or other voting power in any co-op.

3. National Accounts Fee. We may manage or provide support services to national and/or regional accounts that require centralized overview and support, and for purposes of responding to requests and referrals for services through our franchise system, managing those relationships, answering calls placed to us or a national account on-line access system. In that case, we may charge you a National Accounts Fee ("National Account Fee") of up to three percent (3%) of Gross Sales generated by the account. The purpose of this fee is to defray the cost of providing national/regional account management services to the franchise system. We do not plan to charge a fee for simple referrals where we do not directly manage the relationship with the customer, but we reserve the right to do so.

4. You must maintain insurance of the types and minimum amounts (naming us as additional insured) that we specify in your Franchise Agreement, the Operations Manual, or in supplementary notices. You may obtain additional insurance as you desire. Insurance policies may not be subject to amendment or cancellation without at least 30 days prior written notice to us. You must provide certificates of insurance evidencing coverage on an ongoing basis.

5. You must indemnify us and our respective owners, employees and officers for any claims relating to the operation of your Franchised Business, the operation of the Mobile Pulverizer, and for all costs incurred relating to any default by you under the Franchise Agreement.

6. Interest begins from the due date.

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ITEM 7.

ESTIMATED INITIAL INVESTMENT

A. YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be made
Initial Franchise Fee[1]	$49,500	Collected funds – lump sum	Upon execution of Franchise Agreement	Franchisor
Local Area Advertising Requirement (3 months) [2]	$1,500	As incurred	As incurred	Third-party vendors
Rent (3 months, plus security deposit)[3]	$100 - $500	As incurred	Before opening	Lessor
Utility Security Deposits[4]	$0- $500	Lump sum	Before opening	Utility companies
Mobile Pulverizer & Installed Vehicle[5]	$48,000 - $280,000	As arranged	As arranged	Approved vehicle dealer
Installed Vehicle Transportation[6]	$1,500 to $5,500	As arranged	As arranged	Common carrier
Technology Fee (3 months)[7]	$975	As arranged	Upon opening	Franchisor
Computer and Office Equipment and Supplies[8]	$100 - $1,000	As arranged	As incurred	Various suppliers
Travel Expense for Initial Training[9]	$1,000 - $3,000	As incurred	As incurred	Transportation, hotels, restaurants
Grand Opening Marketing (3 months)[10]	$3,000	As incurred	Upon opening	Franchisor
Insurance[11]	$1,500 - $3,600	As arranged	As arranged	Insurance company
Professional fees[12]	$750 - $2,750	As arranged	As incurred	Professional Advisors
Permits and Licenses[13]	$250 - $1,000	As incurred	As incurred	Government agencies
Additional Funds (3 months)[14]	$20,000 - $30,000	As incurred	As incurred	Approved suppliers, employees
TOTAL[15]	**$128,175 – $382,825**			

Notes**:**

1. *Initial Franchise Fee*. The franchise fee is $49,500 for a single protected territory. The franchise fee is further described in Item 5 of this Disclosure Document.

2. *Local Area Advertising Requirement.* You must spend a minimum of $500 per month in local advertising in the market in which you operate your Crushr Business. This amount is the cost of your Local Area Advertising Requirement for the first three (3) months of operations.

3. *Rent (if applicable)*. You are not required to acquire or lease a dedicated facility to be used solely for your Crushr Business operations. You must, however, obtain or lease storage facilities as necessary to store the Installed Vehicle used in the Crushr Business. The rent estimate contemplates one month's rent plus a lease security deposit of an equal amount and is based on our knowledge of rent expenses in Louisville, Kentucky. Rent expense for a facility from which to operate your Crushr Business will vary, based on location, square footage, age and condition of the structure, lease arrangements and other such factors.

4. *Utility Security Deposits (if applicable)*. Utility companies may require you to place a deposit before installing telephone, gas, electricity and related utility services at the location of your Crushr business. These deposits may or may not be refundable in accordance with the agreements made with the utility companies.

5. *Installed Vehicle*. The Installed Vehicle necessary for the operation of the Crushr Business includes the Mobile Pulverizer affixed to an approved vehicle that can transport the Mobile Pulverizer on roads and highways to perform mobile compaction services for your customers. The required vehicle is a medium duty, diesel cab and chassis, which you must maintain in good condition, clean, dent-free, and otherwise presenting a professional appearance in accordance with our specifications. Currently, the cost for a vehicle chassis meeting our specifications together with the cost of the Mobile Pulverizer, including installation onto the required vehicle to our specifications is approximately $240,000. The high end of this estimate includes the total purchase price of the Installed Vehicle which includes, among other items, our cost to acquire the Mobile Pulverizer, the cost of the required vehicle, the cost to install the Mobile Pulverizer on the required vehicle to our specifications (which includes the cost to add signage to the vehicle), and the cost to install a MDVR camera system in the vehicle. The purchase price for the Mobile Pulverizer includes our cost to acquire the Mobile Pulverizer from our manufacturer in Germany through its U.S. distributor, the cost to ship the Mobile Pulverizer from our manufacturer's plant in Germany to our installation facility near Louisville, Kentucky, and certain financing charges and administrative costs incurred by us in the acquisition and installation of the Mobile Pulverizer as well as an overhead factor. This estimate does not include costs associated with the transportation of the Installed Vehicle from our facility to you. (See note 6.). The low end of this estimate assumes you will acquire financing for the Installed Vehicle through a third-party financing company with a down payment of 10% of the purchase price and includes estimated payments for your first 3 months of lease or loan payments on the Installed Vehicle. We do not provide financing for the Installed Vehicle and the terms and conditions of your financing agreement may differ from the estimates provided here.

The cost of both the Mobile Pulverizer and the chassis set forth in this FDD is an estimate only. We do not have fixed price contracts for either the Mobile Pulverizer or the chassis, and the invoice price of each item of equipment to us may increase due to factors outside of our control, including the price of steel and other material costs, labor costs, energy prices and utility costs. In addition, as noted above, the Mobile Pulverizers are manufactured in Germany, and thus our cost of acquiring the Mobile Pulverizers may increase due to fluctuations in the exchange rate between the U.S. Dollar and the Euro as well as shipping costs between Germany and the United States and between the port of entry and our installation facility in Charlestown, Indiana. We reserve the right to add any additional costs incurred by us in sourcing the Mobile Pulverizer and the chassis for your Installed Vehicle to the final invoice price of the Installed Vehicle to you.

Your Installed Vehicle must be outfitted with approved signage or graphics advertising your Crushr Business. We estimate the signage for your Installed Vehicle will range from $500 to $1,000, which is included in the installation cost estimate. Additional signage costs may be incurred should you acquire or lease a dedicated facility to be used solely for your Crushr Business operations and should you request, and we approve, signage for the facility.

If you purchase the Installed Vehicle, our approved vehicle dealer will submit one invoice to you in the amount of approximately $240,000 plus applicable sales taxes, and we will separately invoice our approved vehicle dealer for the cost of the Mobile Pulverizer and the MDVR camera system.

If you have achieved capacity limitations within your protected territory as a result of achieving a high level of sales volume and/or number of customers within your protected territory, you may purchase an additional Installed Vehicle to be used within your protected territory without having to purchase an additional franchise, subject to our approval.

6. *Installed Vehicle Transportation.* This is the estimate for the costs of U.S. domestic transportation of the Installed Vehicle to you from our facility in Louisville, Kentucky to the lower contiguous 48 states. Costs may vary depending upon the distance of delivery, third-party shipping fees, and fuel surcharges. This range of costs assumes that you or your employee are not personally driving your Installed Vehicle from our facility to your business location.

7. *Technology Fee (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 for three users, a software application for scheduling and routing customers for two users, and Google Workspace), 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. Your monthly Technology Fee will increase by 33% for each additional Installed Vehicle that you purchase or user that you add to our software applications.

8. *Computer and Office Equipment and Supplies. See Item 8 for information* regarding required computer equipment and software. We initially require you to have at least a mobile device, such as a tablet or smartphone, with internet access. We do not currently specify specific mobile devices, tablets, hardware or an Internet supplier, but we may do so in the future. 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.

9. *Travel Expenses to Training*. There is no tuition or fee for initial training for up to two (2) of your representatives. You are, however, responsible for making arrangements and paying the expenses for any persons attending the training program including, without limitation, transportation, lodging, meals and wages. The amount expended will depend, in part, on the distance you must travel and the type of accommodations you choose. The estimate provided contemplates costs associated with the training of two (2) people for our one-week training program in Louisville, Kentucky.

10. *Grand Opening Marketing (3 months).* You will be required to advertise the grand opening of your Crushr business in your Protected Territory and to budget grand opening and sales support expenses of $3,000. We will provide you a grand opening marketing packet for the grand opening of your Crushr business as well as sales support through our CRM software application for six months from the opening of your Crushr business. We will invoice you $1,000 per month, to be paid in arrears after the opening of

your business, for three months to reimburse us for the foregoing materials and support that we will provide you as part of your grand opening.

11. *Insurance*. You must purchase and maintain insurance in the types and amounts described in the Franchise Agreement or Operations Manual. This estimate covers three months'' premiums for worker's compensation and commercial liability insurance. Your cost of insurance may vary depending on the insurer, the location of your Franchised Business, your claims history, and other factors. You must provide certificates of insurance evidencing coverage to us on an ongoing basis.

12. *Professional Fees*. This estimates the costs of professional advisors (like an attorney and an accountant) for the initial review and advice consistent with the start-up of a franchised business.

13. *Business Licenses*. This estimates the costs of business licenses for you to begin operations of the Franchised Business. This estimate is based on our experiences with business licenses in Louisville, Kentucky, and may vary depending on your state and local requirements.

14. *Additional Funds (3 months)*. You will need additional capital to support ongoing expenses during the initial three (3) months after you open your Crushr Business. This estimate includes items such as payroll, royalty, additional advertising/marketing activities, repairs and maintenance, bank charges, miscellaneous supplies and equipment, and other miscellaneous items. This range does not include any draw or salary for you. These figures are estimate and we cannot guarantee that you will not have additional expenses in the first three months your are operating your Crushr Business. In calculating this estimate we relied upon the experience in opening and operating the Company-Owned Outlet and the experience of our franchisees in opening and operating their Crushr Businesses.

15. *Total*. Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your Crushr Business. They do not provide for your cash needs to cover any financing incurred by you or your other expenses. You should not plan to draw income from the operation during the start-up and development stages of your business, the actual duration of which will vary materially from franchisee to franchisee and cannot be predicted by us for your Crushr Business (and which may extend for longer than the three month "initial phase" described in Note 14). You must have additional sums available, whether in cash or through a bank line of credit, or you must have other assets which you may liquidate or against which you may borrow, to cover other expenses and any operating losses you may sustain, whether during your start-up and development stage, or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your business, which in turn will depend upon factors such as the demographics and economic conditions in the area in which your Crushr Business is located, the presence of other similar services or other public awareness of our business and trademarks within the general vicinity of your proposed Crushr Business, your ability to operate efficiently and in conformance with our recommended methods of doing business, and competition. We urge you to retain the services of an experienced accountant or financial advisor to develop a business plan and financial projections for your particular operation.

The ranges and categories listed in the table above are based on our own experience and the experience of our franchisees in operating a Crushr Business. Your expenses may be significantly different depending on the suppliers you use and local costs. Do not rely on this estimate of expenses to predict your future performance because your expenses may differ from the ranges above and you will have additional expenses to third party suppliers and to us which we have not listed. See Item 8 for additional information concerning your purchases from third party suppliers.

Refundability/Financing. None of the estimated expenditures listed in the table are refundable, except (i) utility deposits are usually refundable, and (ii) lease security deposits may be refundable. We do not offer, directly or indirectly, financing for any of the above expenditures. See Item 10. The availability and terms of financing will depend on many factors, including the availability of financing generally, your

creditworthiness, other security that you may have, and policies of lending institutions concerning the type of business being operated by you.

B. YOUR ESTIMATED INITIAL INVESTMENT – MULTIPLE CRUSHR BUSINESSES UNDER DEVELOPMENT AGREEMENT[1]

Type of Expenditure	Amount From	To	Method of Payment	When Due	To Whom Payment Is to be Made
Development Fee[2]	$124,500 (3 Units)	$334,500 (10 Units)[2]	Lump Sum	Upon signing Development Agreement	Franchisor
Initial Investment to Open Initial Franchise[3]	$78,675 - $333,325	$78,675 - $333,325	See Charts 7(A) above in this Item		
TOTAL[4]	**$203,175 - $457,825 (3 Units)**	**$413,175 - $667,825 (10 Units)**			

Explanatory Notes to Chart 7(B) Above:

1. *Generally*. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Development Agreement for the right to own and operate between three and ten Crushr Businesses, as well as the initial investment to open your first Crushr Business under your Development Schedule. The chart does NOT include estimates for the purchase of additional Installed Vehicles for any Crushr Business other than the initial Crushr Business in your Development Schedule.

2. *Development Fee.* The Development Fee is non-refundable. The Development Fee is described in greater detail in Item 5 of this Disclosure Document, and the Development Fee provided as an example in this Chart 7(B.) is for the right to open and operate a total of between three (3) and ten (10) Crushr Businesses (provided you comply with your development obligations under the Development Agreement). There is no maximum number of Crushr Business we may permit you to develop under a Development Agreement. For the fourth unit and beyond in your Development Schedule, the Development Fee for each additional Crushr Business in your Development Schedule is $30,000.

3. *Estimated Initial Investment to Open One (1) Crushr Business.* This figure represents the total estimated initial investment required to open the initial Crushr Business you agree to open and operate under the Development Agreement. You will be required to enter into our then-current form of franchise agreement for the initial Crushr Business at the same time you execute your Development Agreement, which may contain materially different terms than the Franchise Agreement attached as an exhibit to this Disclosure Document. The range includes all the items outlined in Chart 7.A. of this Item, except for the initial Franchise Fee (because you are not required to pay any Initial Franchise Fee for those Crusher Businesses you open under the Development Agreement).

4. *Total*. This is the Development Fee plus the estimated initial investment to open and commence operating your initial Crushr Business within your Development Area. This range does not include any of the costs you will incur in opening any additional Crushr Businesses that you are granted the right to open and operate under your Development Agreement.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required and approved purchases and suppliers

You must purchase your Installed Vehicle through our designated supplier and we will not approve any alternative supplier for the Installed Vehicle. Certain other equipment and supplies must meet the specifications (brand, model and/or performance specifications) in the Operations Manual, including the vehicle, mobile devices equipment and business and accounting software used in your Crushr Business. These specifications include standards for delivery, performance, design, reliability and appearance. Our specifications are formulated by us and may be modified periodically in our sole and absolute discretion.

The typical length of time between the date you sign a Franchise Agreement and the delivery of the Installed Vehicle to you ranges between 90 and 120 days. The actual length of time will depend upon a number of factors, including the manufacturer's production schedule, delays in shipping the Mobile Pulverizer from Germany to a U.S. port of entry, customs delays at the U.S. port of entry, delays in shipping the Mobile Pulverizer from the U.S. port of entry to our installation facility near Louisville, Kentucky, the availability of the required vehicle onto which the Mobile Pulverizers will be installed, your ability to arrange financing for the Installed Vehicle, to hire employees, to schedule training on the Installed Vehicle and to take delivery of and to ship the Installed Vehicle to your Protected Territory, as well as the number of franchises previously sold by us and our ability to deliver Installed Vehicles to them prior to the delivery of the Installed Vehicle to you. If you have entered into a Development Agreement with us, you must execute our then current form of franchise agreement for each Crushr Business no later than three (3) business days after we notify you that an Installed Vehicle is available for shipment to you for the particular Crushr Business in your Development Schedule.

You must pay the entire purchase price of your Installed Vehicle within 30 days after we notify you that the Installed Vehicle is available to you. We will impose a monthly late fee equal to 1% of the purchase price of the Installed Vehicle if you fail to pay the entire purchase price of your Installed Vehicle within such 30-day period.

You must use your Installed Vehicle in strict accordance with the Franchise Agreement and the Operations Manual. Among other restrictions, you may use the Installed Vehicle solely for your Crushr Business and for no other purpose.

The cost of equipment and supplies purchased or licensed in accordance with our specifications will represent about 70% to 75% of your total purchases in establishing the Franchised Business and about 70% to 75% of your total purchases for the operation of the Business. The purchases and leases of goods and services from designated or approved suppliers are about 70% to 75% of your initial expenditures in the establishment and ongoing operation of your Crushr Business.

We provide logistics, administrative and manufacturing support related to your purchase of the Installed Vehicle from our designated supplier. Other than this support, we do not provide any material benefits to you based on your purchase or license of particular products or services or the use of particular suppliers.

Alternate Suppliers

If we require that an item be purchased from an approved supplier, and you wish to purchase it from a supplier that we have not approved, you must submit a written request to us for approval. It is likely such request will be rejected. Subject to our prior written approval in our sole and absolute discretion, you

may contract with alternative suppliers; however, you must not purchase or lease the item until and unless we have approved the item and/or supplier in writing. Nothing requires us to approve any particular supplier. We will provide you a notice of approval or disapproval of your supplier request within 60 days of your initial request. If we do not provide you with a notice of approval or disapproval within that time period, the request will be deemed disapproved. We do not issue our specifications and standards to franchisees. Currently, we have not established fees or specific procedures to seek approval to purchase from an alternative supplier. We will judge the product or service of alternative suppliers on a case-by-case basis, based on, among other factors, quality and compatibility with our Crushr System and standards. We may revoke the approval of a supplier that fails to continue to meet standards that are at least as equivalent to the standards of our approved suppliers.

Ownership Interests In, and Revenues from, Suppliers

We and our affiliates are not an approved supplier for any product or service you are required to purchase or lease and none of our owners or officers have any ownership interests in any required supplier. We or our affiliates may receive revenues or profits or other material consideration from the purchases you make from us, our affiliates, or from other approved suppliers. We will earn revenue from your purchase of the Installed Vehicle, and other items that we may specify from time to time. We or our affiliates may retain any rebates or other payments we receive from suppliers. As of the issuance date of this Disclosure Document, we have entered into an agreement with the approved supplier of the Installed Vehicles in which we will receive 10-15% of the purchase price of each Installed Vehicle that you purchase. We provide logistics, administrative, and manufacturing support related to your purchase of the Installed Vehicle, and do not charge you a separate fee for such support. In the 2021 fiscal year, we received $420,419 in rebates from franchisee required purchases out of our total revenues of $3,598,505, which was 11.68% of our total revenue in our prior fiscal year.

Cooperatives

There currently are no purchasing or distribution cooperatives for the Crushr System. In the future, we may negotiate volume purchase agreements with suppliers for the purchase of goods and equipment needed to operate a Crushr Business.

Advertising

You may not use any advertising material for local advertising unless we have expressly approved it in writing before publication or distribution in any media, print, or electronic form, and it must comply with our requirements concerning format, content, trademark usage and media.

Records

All of your bookkeeping and accounting records, financial statements, and all reports you submit to us must conform to our requirements, including the software used to produce such records and reports.

Computer Equipment

All hardware (mobile devices – smartphone and/or tablet) and software for the operation of the Crushr Business must meet our specifications, which may include approved brands, models and/or performance specifications. We may establish sales reporting requirements that we consider appropriate for the accurate and expeditious reporting of gross sales. You must fully cooperate with us in implementing any such system and, at your expense, procure and utilize such sales recording devices as we may require, which

may include sales recording software or devices that will telecommunicate gross sales directly to us on a daily basis.

Insurance

Your Franchise Agreement requires you to purchase and maintain in force certain types of insurance as designated in the Operations Manual or as otherwise designated by us. The required insurance includes employer's liability and workers' compensation insurance as prescribed by applicable law and comprehensive general liability insurance, including motor vehicle and products liability coverage. The Franchisor must be named as an additional insured on all such insurance, and the insurance carrier must notify us of any lapse or possible lapse of the coverage. You must provide certificates of insurance evidencing coverage to us on an ongoing basis. The coverage types are limits we currently require are:

Property Coverage: "All Risk" coverage, insuring 100% replacement value of your Crushr vehicle.
Commercial Liability Coverage: $1,000,000 each occurrence, $100,000 damage to rented premises, $5,000 medical expense (any one person), $1,000,000 personal & adv injury, $2,000,000 general aggregate $2,000,000 products.
Automobile Liability: $1,000,000 combined single limit.
Workers Compensation: Statutory minimums which vary by state. Check with your insurance agent for specific requirements.
Umbrella Coverage: Commercial umbrella excess liability insurance with a limit of $1,000,000 excess of the underlying general liability and automobile liability coverages.
Named Additional Insured Requirement: Your policy must be endorsed to include Smash Brothers, LLC and its officers and employees as additional insured of the business liability and vehicle liability. Policies must be written so that Smash Brothers, LLC is not liable for any unpaid premiums or other charges under the policies.
Additional Clause Requirements: The insurance company must contain the clause requiring the insurer to notify Smash Brothers, LLC 30 days in advance of any reduction, termination or expiration of any insurance coverage.

Site and Vehicle Criteria

We must review and approve any proposed site for the storage of your Installed Vehicle as more particularly described in Item 11 below. The vehicle chassis onto which your Mobile Pulverizer is installed must meet our specifications. The Installed Vehicle will be required to pass safety, roadworthiness and performance, appearance and other inspections on a least an annual basis. The Installed Vehicle and all other equipment used in the operation of the franchise must be maintained in acceptable condition as required by the Operations Manual and the Franchise Agreement.

ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement (FA) and development agreement (DA) 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.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	FA Section 1 DA Section 4	Item 11
b. Pre-opening purchases/leases	FA Section 7.3	Item 8
c. Site development and other pre-opening requirements	FA Section 7.3 DA Section 4.	Items 6, 7 and 11
d. Initial and ongoing training	FA Sections 4, 7.4, 12	Items 6 and 11
e. Opening	FA Section 7.3 DA Section 3.1, 4	Item 11
f. Fees	FA Section 5 DA Section 2	Items 5 and 6
g. Compliance with standards and policies/ Operations Manual	FA Sections 1.3, 7.1, 7.2.2, 7.5, 7.12, 8	Items 8 and 11
h. Trademarks and proprietary information	FA Section 6 DA Section 8	Items 13 and 14
i. Restrictions on products/ services offered	FA Section 7.2	Items 8 and 16
j. Warranty and customer service requirements	FA Sections 7.8, 18	Item 11
k. Territorial development and sales quotas	FA Section 2 DA Section 3, 4	Item 12
l. Ongoing product/service purchases	FA Section 7.10	Item 8
m. Maintenance, appearance and	FA Section 7.1, 7.2.1	Item 11
n. Insurance	FA Section 15	Items 6 and 8
o. Advertising	FA Sections 7.6, 7.7, 9	Items 6, 8 and 11
p. Indemnification	FA Section 17 DA Section 8	Item 6
q. Owner's participation/ management/staffing	FA Sections 7.4, 7.13	Items 11 and 15
r. Records/reports	FA Section 10	Item 16
s. Inspections/audits	FA Section 7.9	Items 6 and 11
t. Transfer	FA Sections 11, 12 DA Section 7	Item 17
u. Renewal	FA Section 3	Item 17
v. Post-termination obligations	FA Section 11, 14 DA Section 8	Item 17
w. Non-competition covenants	FA Section 11 DA Section 8	Item 17
x. Dispute resolution	FA Section 21 DA Section 8	Item 17
y. Other: Guarantee of franchisee obligations	FA Section 11.4, 25.1.8 DA Appendix B	Item 15

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.

Pre-Opening Obligations. We have the following obligations to you before you open your Crushr Business:

1. We will conduct an initial training program as described below. You are responsible for hiring and training employees for your Crushr Business, but we may provide assistance with this training, or materials to be used in training employees may be provided in our Operations Manual. (Franchise Agreement – 5.2)

2. We will loan to you one copy of the Operations Manual to use during the term of the Franchise Agreement. You may not reproduce the Operations Manual without our prior express written consent. The Operations Manual contains our standard operational procedures, policies, rules and regulations with which you must comply, as well as specifications for equipment, signage, inventory and supplies for your Crushr Business. (Franchise Agreement – 5.2)

3. We must review and approve any proposed site for the storage of your Installed Vehicle. You shall provide written notice of the proposed storage site for the Installed Vehicle to us and, within 10 days thereafter, we will provide written notice to you if the proposed storage site is acceptable to us. Factors we consider in approving a site include: its location within your Protected Territory, ease of ingress and egress for your Installed Vehicle, storage facilities at the site for the protection and storage of your Installed Vehicle, and other factors we deem relevant in our discretion. We will not unreasonably withhold our approval of your proposed site but if you do not submit a site that meets our reasonable requirements, we may terminate the Franchise Agreement. We shall have the right but not the obligation to inspect in person the proposed storage site. The foregoing process shall be repeated each time you desire to change the storage site for the Installed Vehicle. We shall reasonably accommodate your ability to open your business location within 120 days following the date you sign the Franchise Agreement. We will endeavor to provide the Installed Vehicle to you within 120 days after the signing of the Franchise Agreement, but we do not manufacture or distribute the Mobile Pulverizer or the required vehicle and thus we cannot and do not guarantee that the Installed Vehicle will be provided to you within the foregoing 120- day period. We do not provide assistance with conforming the site to local ordinances and building codes, obtaining any required permits, and/or constructing, remodeling or decorating the site. We do not generally own the premises to be used as the site. (Franchise Agreement – 1.6)

4. We will provide in the Operations Manual a list of approved suppliers for equipment, signs, fixtures, opening inventory and supplies. It is your responsibility to procure these items from the list we provide to you. (Franchise Agreement – 9)

5. Pricing - If we determine that we may lawfully require you to charge certain prices for goods or services, certain minimum prices for goods or services, or certain maximum prices for goods or services, you must adhere to our pricing policies as set forth in the Manuals or otherwise in writing from time to time. We currently require you to charge rates equal to or in excess of a minimum pricing schedule, which we will provide and may revise from time to time. Otherwise,

you are solely responsible for determining the prices that you charge customers and must provide us with your current price list upon our request.

Post-Opening Obligations. We have the following obligations to you during the operation of your business:

We will furnish such additional assistance and advice concerning your performance under the Franchise Agreement and the operation of your Crushr Business as we determine to be necessary in our sole and absolute discretion. In our sole and absolute discretion, we may send a representative to your Crushr Business to discuss the operation of your Crushr Business. (Franchise Agreement – 5.2)

Local Advertising

You must spend a minimum of $500 per month on local advertising. We reserve the right to increase this amount to $1,000 per month in our sole and absolute discretion. We may provide advertising materials to you that are created by our in-house marketing teams, or national and regional advertising agencies. (Franchise Agreement – 10.1.3)

You must receive written approval from us before you may use any advertising material. (Franchise Agreement – 10.1.5)

Grand Opening Advertising

You must spend a minimum of $3,000 to advertise the grand opening of your Crushr business in your Protected Territory, though we anticipate and recommend you may spend more than this amount. We will provide you a grand opening marketing packet to advertise the grand opening of your Crushr business as well as back-office sales support for six months from the opening of your Crushr business. We will invoice you $1,000 per month, to be paid in arrears after the opening of your business for three months to reimburse us for the foregoing materials and support that we will provide you as part of your grand opening. Portions of the materials used in your grand opening advertising may be produce by our in-house marketing teams, or national and regional advertising agencies.

Cooperative Advertising

As of the date of this Disclosure Document, we have not established any local or regional advertising or brand awareness cooperatives ("Coop"). Because we have not established a Coop, we do not provide governing documents but may do so in the future if a Coop is formed. We or an affiliate will be responsible for the administration of the Coop. Any Crushr Businesses owned by us or our affiliates will not be required to contribute to any Coop at the same rate as franchisees, but they may elect to do so. If we do so in the future, you must participate in any cooperative advertising or brand awareness program for the region in which your Crushr Business is located. We may change, dissolve, or merge Coops in our sole discretion. You must contribute to the Coop up to 2% of your Gross Sales, as determined by the members of the Coop. Any amount contributed to the Coop will be credited against the minimum amount which you must spend on local advertising, as described above. There is no advertising council at the present time. (Franchise Agreement – 10.1.6)

Brand Fund

Franchisor has established and administered a brand awareness fund (the "Brand Fund") to promote and enhance the image, identify or patronage of Crushr System. We require you to contribute up to 1% of your Gross Sales to the Brand Fund in addition to the amounts required for local/co-op advertising as noted

above. The Brand Fund established by us is operated under the following parameters. All franchisees will generally be required to contribute to the Brand Fund at the same rate, and Company-Owned Outlets are not required to contribute to the Brand Fund. The sums you and other franchisees contribute to the Brand Fund are deposited in our general operating account and segregated administratively on our books, but the funds are commingled with our general operating revenues. If we spend less than the total of all contributions to the Brand Fund during any fiscal year, we may accumulate such sums for use in later years. In our prior fiscal year ending December 31, 2021 we collected $36,137 in contributions to the Brand Fund from our franchisees. All of these funds were used in the 2021 fiscal year and were allocated as follows: 42% on digital marketing (social media, google ads), 40% on managing and reporting on digital analytics (GMB, Inbound calls, SEO, Meta Tags), 2% on graphic design work (art and layout for printable materials like business cards, pamphlets, brochures, sales sheets), and 16% on website design and management. In our prior fiscal year, 0% of Brand Fund contributions were used exclusively for the solicitation of new franchise sales, though some of our marketing materials do include notices that franchise opportunities are available.

At your request, we will furnish to you within 120 days after the end of each of our fiscal years, an unaudited report certified as correct by one of our officers showing the Brand Fund balance at the beginning of the year, the total amount contributed by franchisees and allocated by us on behalf of our company-owned businesses, and the amount actually spent for the year, and the remaining balance or deficit in the Brand Fund at the end of the fiscal year. (Franchise Agreement – 10.1.1)

We intend to spend an amount equal to the Brand Fund revenue received or allocated by us for national, regional or local advertising, public relations and promotional campaigns, typically in media such as direct mail advertising, newspapers, radio, and cable and local television. These campaigns will be produced by a combination of our in-house marketing teams, as well as national and regional advertising agencies. A reasonable portion of this sum may also be spent for other items including conducting marketing studies; and the production and purchase of advertising art, commercials, musical jingles, print advertisements, point of sale materials, media advertising, outdoor advertising art, and direct mail pamphlets and literature, and may also be allocated to reimburse us or our affiliates for internal expenses of operating an advertising department and administration of our advertising program. We determine, in our discretion, all matters relating to such advertising, public relations and promotional campaigns and we are not required to allocate or expend brand fund contributions for the benefit any particular franchisee or group of franchisees on a pro-rata or proportional basis. We are not required to spend any amounts on advertising in your Protected Territory. In our most recent fiscal year, no Brand Fund money was disbursed. No Brand Fund contributions are used solely for advertising to solicit new franchisees, however we the Crushr website, public relations activities, community involvement activities, and other activities supported by the Brand Fund may contain information about franchising opportunities. (Franchise Agreement – 10.1.1)

In no event will we be deemed a fiduciary with respect to any contributions to the Brand Fund we receive or administer. We are not required to have an independent audit of the Brand Fund completed. We will prepare an unaudited statement of contributions and expenditures for the Brand Fund and make it available within 120 days after the close of our fiscal year to franchisees who make a written request for a copy.

Promotional Campaigns

We may periodically conduct promotional campaigns on a national or regional basis to promote mobile compaction services or marketing themes. You must participate in all promotional campaigns, which we may establish for the region in which your Crushr Business is located. (Franchise Agreement – 10.1.4)

Time Before Opening

We estimate that the length of time between signing a Franchise Agreement and the opening of your Crushr Business will be approximately 90 to 180 days. The factors that may affect this time period include your ability to complete training on the Installed Vehicle, your ability to obtain any needed permits or licenses and the period of time needed to order and receive your Installed Vehicle, which will take at least 90 days from order to delivery and can take up to several months. We will endeavor to provide the Installed Vehicle to you within 120 days after the signing of the Franchise Agreement, but we do not manufacture or distribute the Mobile Pulverizer or the required vehicle into which the Mobile Pulverizer is installed, and thus we cannot and do not guarantee that the Installed Vehicle will be provided to you within the foregoing 120-dayperiod. Our ability to provide the Installed Vehicle to you will also depend upon the number of franchises previously sold by us and our ability to provide Installed Vehicles to them prior to the delivery of the Installed Vehicle to you. (Franchise Agreement – 8.3)

Training

At all times during the term of your Franchise Agreement, at least one management employee at your Crushr Business must have attended and completed our full-time training course to our satisfaction, at our offices in Louisville, Kentucky, or at some other location we may designate, or through a virtual environment. Training programs are offered periodically as needed to meet the demands of new franchisees. Your designated representative and management personnel must be approved by us in writing before participating in our training course. There is no tuition fee for attendance by you or your manager or designated representative (up to two attendees) to attend this training course, but all expenses that you and your personnel incur while attending or obtaining the training course will be borne entirely by you. We may charge our then-current training fees for any additional personnel attending the training course, or for any attendees who fail to complete the training course to our satisfaction and must repeat the training. (Franchise Agreement – 5.2)

We may periodically offer additional training programs to you, your manager and designated representative, covering such subjects as new products or procedures, marketing, bookkeeping, accounting and general operating procedures and the establishment, development and improvement of computer systems. Attendance by you or your manager or designated representative may be mandatory or optional, in our discretion. There is no tuition fee for mandatory or optional training courses. All expenses that you and your personnel incur while attending or obtaining all training will be borne entirely by you. (Franchise Agreement – 5.2)

We will provide an experienced training staff, which has had approximately 4 years of experience with a Crushr Business in various operational capacities, and a driver instructor who has trained in the use of the Mobile Pulverizer and Installed Vehicle. We may employ more or different experienced training directors in the future.

Instruction materials include our Operations Manual, digital training materials, and related workbooks. New operators, managers and drivers must be approved by us and complete a one-week (40 hours) training program before assuming active duty at your Crushr Business.

TRAINING PROGRAM

Subject*	Hours of Classroom Training	Hours of On The Job Training	Location
Installed Vehicle/ Mobile Pulverizer Operations	0	40	Louisville, Kentucky, or another location designated by Franchisor
Management, Marketing & Sales Training	10	16	Louisville, Kentucky, or another location designated by Franchisor (virtual as necessary)
TOTAL	**10**	**56**	

*Scheduling: All training is scheduled by us throughout the year on an as-needed basis to reasonably accommodate franchisees.

Computer Equipment

We require that you have access to mobile communications equipment that meet the following functionalities: mobile phone/tablet with internet access, text messaging and remote email capability, mobile credit card processing equipment, high-speed communications access, such as broadband or other high-speed capacity, a functioning e-mail address for your Crushr Business, software/applications for basic business accounting and bookkeeping, including employee timekeeping, sales recording, invoicing and reporting and software for word processing and, as and when required by the Franchisor, GPS locator applications. So long as your computer and mobile communications devices and systems meet these functionalities, you may purchase them from any source. We do not currently, but may in the future, require specified brands or suppliers of communications devices, hardware and software. If you do not already own computer equipment which meets our minimum criteria, we estimate the cost to acquire the computer equipment will be between $100 and $1, 000. You must upgrade the computer agreement to meet our then-current standards as set forth in the Operations Manual. We will have independent access to all information and financial data recorded by your computer for audit and sales verification purposes. We do not require you to enter into any maintenance contract for the upkeep of the computer system but if you do so, we estimate the costs will be $50 to $250 per year. (Franchise Agreement – 8.10)

Operations Manual

Attached as Exhibit E is a copy of the table of contents of our current Operations Manuals, which indicates the number of pages devoted to each topic and the total number of pages in the Operations Manual. Currently our Operations Manual consists of 50 pages.

Web Site

We have established and intend to maintain an Internet website at www.DumpsterCrushr.com that provides information about the Crushr System (the "Crushr Website"). We may (but are not required to) include at the Crushr Website an interior page containing information about your Crushr Business. If we include your information on the Crushr Website, we have the right to require you to prepare all or a portion of the page, at your expense, using a template that we provide. All information is subject to our approval before posting. We will have sole discretion and control over the Crushr Website's design and contents. You consent to the posting of information about your Crushr Business on the Crushr Website.

We have the sole right to approve any linking to, or other use of, the Crushr Website. We have no obligation to maintain the Crushr Website indefinitely, and we reserve the right to discontinue it at any time without liability to you. Furthermore, as we have no control over the stability or maintenance of the Internet generally, we are not responsible for damage or loss caused by errors or malfunctions of the Internet.

You will not be allowed to establish or operate any other website for your Crushr Business or establish or participate in any Crushr System related blog or other discussion forum, and any violation of this restriction will constitute grounds for termination of each Franchise Agreement entered into between us. However, in the event we no longer maintain an Internet website at www.dumpstercrushr.com or another related domain, you may be allowed to establish or operate any other website for your Crushr Business or establish or participate in any Crushr System related blog or other discussion forum with our advance written consent.

We may maintain one or more social media sites (e.g., Facebook, Twitter, Instagram or other social media sites). You may not establish or maintain any social media sites utilizing any user names, or otherwise associating with the Marks (as such term is defined in Item 13 below), without our advance written consent. We may designate from time to time regional or territory-specific user names/handles that you must maintain. You must adhere to any social media policies, including those that may be included in the Operations Manual, that we establish from time to time and must require all of your employees to do so as well.

ITEM 12. TERRITORY

Franchise Agreement

You will receive a protected territory ("Protected Territory" or "Territory") consisting of a minimum of 2,500 potential qualified businesses that your Crushr 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. 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. "Protected" means that we will neither operate, nor award to another person a franchise to operate, another Crushr Business in your Protected Territory, nor will we service, or authorize others to service, customers in your Protected Territory. You may face competition from competitors of the Franchisor. Your franchise will be for the specific territory that we provide in your franchise agreement, but the site for storage of you Installed Vehicle will be at a location subject to our approval. Unless

specifically authorized by us, you will not receive an option, right of first refusal or similar rights to acquire franchises within territories contiguous to your Protected Territory.

Relocation of the Franchise

You may relocate the approved site for storage of your Installed Vehicle upon notice to us and with our approval. We will not unreasonably withhold our consent for you to relocate your approved site but in granting such approval we will consider the following factors: (i) whether or not the proposed site is located within your Protected Territory, (ii) whether or not the proposed relocation site meets our then-current standards for vehicle storage sites as set forth in the Operations Manual; and (iii) any other factors we determine as relevant in our reasonable business judgment. We are under no obligation to permit you to relocate or otherwise modify your Protected Territory. If you desire to relocate or modify your Protected Territory you may only do so with our written consent, which we may withhold in our sole discretion.

Development Agreement

If you are granted the right to open multiple Crushr Businesses under our form of Development Agreement, then we will provide you with a Development Area upon execution of the Development Agreement. The size of your Development Area will substantially vary from other developers based on: (i) the number of Crushr Businesses we grant you the right to open and operate; and (ii) the location and demographics of the general area where we mutually agree you will be opening these locations. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map that we may attach to Exhibit A to your Development Agreement.

Each Crushr Business you timely open and commence operating under our then-current form of franchise agreement will be operated: (i) from a distinct Premises located within the Development Area; and (ii) within its own Protected Territory that we will define once the site for that Crushr Business has been approved. We will approve Protected Territories for additional Crushr Businesses developed under your Development Agreement using our then-current territory criteria.

We will not own or operate, or license a third party the right to own or operate, a Crushr Business utilizing the Marks and System within the Development Area until the earlier of: (i) the date we define the Protected Territory of the final Crushr Business you were granted the right to operate under the Development Agreement; or (ii) the expiration or termination of the Development Agreement for any reason. Your Development Area will be exclusive during this time period.

Upon the occurrence of any one of the events described in the preceding paragraph, your territorial rights within the Development Area will be terminated, except that each Crushr Business that you have opened and are continuously operating as of the date of such occurrence will continue to enjoy the territorial rights within their respective Protected Territories that were granted under the franchise agreement(s) you entered into for those Crushr Businesses.

You must comply with your development obligations under the Development Agreement, including your Development Schedule, in order to maintain your exclusive rights within the Development Area. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under the Development Agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

National Accounts

We have the exclusive right to negotiate and enter into agreements or approve forms of agreement to provide services to "National Account Customers". The term National Account Customers includes any customer which on its own behalf or through agents, licensees, or other third parties owns, manages, controls or otherwise has responsibility for a business in more than one (1) location, for the benefit of the System, and regardless of the aggregate contract amount of the services to be performed. Any dispute as to whether a particular customer is a National Account Customer shall be determined by us in our sole discretion and our determination shall be final and binding. Following the execution of a contract with or the acceptance of a bid by a National Account Customer which contemplates the provision of services to one (1) or more National Account Customers who are located in your Territory, we may, if you are qualified to perform the services and conditioned upon your substantial compliance with the terms of the Franchise Agreement and any other applicable agreements, provide you the opportunity to perform such services pursuant to the terms and conditions of the National Account contract or on such terms and conditions as we, at our sole discretion, determine are appropriate. You agree to provide services to all National Account Customer referrals within your Territory. You further agree to provide all services in strict adherence to the our performance and process standards and all service guidelines and performance standards of the National Account Customer. You may be required to enter into a service agreement to participate in certain National Account programs.

If you are not able or not willing to provide services to a National Account customer in conformity with the terms and conditions of the National Account contract, or fail to make an election within the time we specify after being offered the opportunity, we have the right, exercisable in our sole discretion, to (i) provide, directly or through any affiliate or other franchisee or franchisor operated location, services to the National Account Customer; and/or (ii) contract with another party to provide such services to the National Account Customer. In either event, neither you nor the Crushr Business shall be entitled to any proceeds from the provision of services provided to the customer of a National Account Customer.

We may manage or provide support services to national and/or regional accounts that require centralized overview and support, and for purposes of responding to requests and referrals for services through our franchise system, managing those relationships, answering calls placed to us or a national account on-line access system. In that case, we may charge you a National Accounts Fee of up to three percent (3%) of Gross Sales generated by the account. The purpose of this fee is to defray the cost of providing national/regional account management services to the franchise system. We do not plan to charge a fee for simple referrals where we do not directly manage the relationship with the customer, but we reserve the right to do so.

Rights We Retain

Although we will grant you a Protected Territory, we or our affiliates may (or may authorize a third party to) conduct any or all of the following activities, without compensation to you:

(a) solicit customers for you as well as advertise and promote sales of Crushr Businesses anywhere, including within the Protected Territory;

(b) anywhere offer and sell (or authorize others to offer and sell) services other than related to the Crushr Business under any names and marks other than the Marks;

(c) distribute or license the manufacture or distribution of goods and products, regardless of whether or not such products are authorized for offer and sale through the Franchised

Business, within the Protected Territory, under other trademarks licensed by us or otherwise held by us, or through any means of distribution (e.g., direct mail, retail outlets, Internet, other alternate channels of distribution) not otherwise prohibited by the Franchise Agreement;

(d) establish and operate and grant to others the right to establish and operate, a Crushr Business anywhere outside of the Territory, regardless of proximity to the Territory or to your Crushr Business.

(e) purchase, merge, acquire (or be acquired by), affiliate with, or engage in any transaction with other businesses (whether competitive or not) having one or more locations, wherever located, including, but not limited to, transactions or arrangements involving competing outlets and/or brand conversions (to or from the CRUSHR® brand and system);

(f) engage in any other activity, action or undertaking that we are not expressly prohibited from taking under the Franchise Agreement;

(g) develop, operate and franchise similar or dissimilar systems under trademarks, service marks, and commercial symbols other than the Marks, without offering them to you;

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Neither we nor our affiliates have established, or presently intend to establish, other franchise or company-owned businesses that offer mobile trash compaction businesses or similar products or services under a different trade name or trademark, but we reserve the right to do so in the future without your consent. The territorial protection granted to you is not dependent on your achievement of a certain sales volume, market penetration, or other contingency. As long as you are in compliance with the Franchise Agreement and the protection of the Territory has been properly secured and maintained pursuant to the Franchise Agreement as described above, there are no circumstances under which the Territory granted to you may be altered before the expiration or the termination of the Franchise Agreement without your written consent.

If you have achieved a volume of incoming services requests which make it impossible or impractical for you to provide requested services to customers in your Protected Territory in a timely and efficient manner, we may permit you to purchase an additional Installed Vehicle for use within your Protected Territory. If you request our permission to operate additional Installed Vehicles in your Protected Territory we will not unreasonably withhold our consent though we may consider the following factors in determining whether or not to permit you to purchase an additional Installed Vehicle: (i) your compliance with the terms of your Franchise Agreement as of the date of your request; (ii) the number of services requests you are receiving on a daily and weekly basis; (iii) the geographic size of your Protected Territory; and (iv) other factors we determine to be relevant in our reasonable business judgment. If we permit you to purchase an additional Installed Vehicle without adding any additional territory to your Protected Territory, you will not be required to pay any additional franchise fee in connection with that purchase.

We are not required to pay you if we exercise any of the rights specified above. We are not required to grant you any additional Protected Territories (except for under the terms of an Area Development Agreement), expand your Protected Territory or allow you to relocate your Protected Territory or your Crushr Business.

Restrictions on Rights

You may only operate your Crushr Business and service customers within your Protected Territory, except in Open Territories as discussed below. As long as you are in compliance with the Franchise Agreement, we will not, during the term of your Franchise Agreement, operate or grant others the right to operate any other Crushr Business within the Protected Territory.

You may market to and service customers outside your Protected Territory, with our prior written approval, if customers are located in areas geographically contiguous to your Protected Territory, and no other franchisee of ours has been awarded that territory, and the territory is not protected as a territory that is being operated by a Company-Owned Outlet (an "Open Territory"). We may revoke our approval for you to operate in Open Territories in our sole discretion. Further, if you service customers in Open Territories with our approval, and elect not to execute our current form of Franchise Agreement with respect to all or any portion of such Open Territories, you assume the risk that we may sell such Open Territories to one or more other current or prospective franchisees of the Crushr system. In such event, you will no longer have the right to service the customers located in such Open Territories.

Except for operating in Open Territories with our prior written approval, you do not have the right to use our trademarks or the Crushr system at any location other than the Protected Territory in any wholesale, e-commerce, or other channel of distribution besides the operation of your Crushr Business in the Protected Territory. Any media advertising, internet advertising, or direct mail marketing that you conduct must be predominantly focused within your Protected Territory unless we agree otherwise.

We reserve the right to establish guidelines concerning the acceptance and reimbursement of gift certificates, gift cards, coupons, corporate discounts, and other promotional programs as we set forth from time to time in the Manuals or otherwise in writing.

ITEM 13. TRADEMARKS

In the Franchise Agreement, you are granted a sublicense to operate a Crushr Business using the marks CRUSHR® and CRUSHR & Design® (logo) and other marks in connection with the Crushr Business (the "Marks"). All of the Marks are owned by Crushr IP and licensed to us under a License Agreement dated as of February 1, 2020 (the "License Agreement"). In the License Agreement, Crushr IP authorizes us to use the Marks in connection with the offer, sale, and support of franchised Crushr Businesses. The License Agreement does not contain any significant limitations on our right to use or license the Marks to you and is perpetual in duration and may be terminated unilaterally by either party only upon a material breach of the License Agreement. Upon termination of the License Agreement, we must immediately discontinue the use of the Marks and assign to Crushr IP all of our franchise agreements licensing the use of the Marks, and Crushr IP has agreed to assume all obligations under such agreements arising from and after their assignment. In addition to the Marks in the chart below, franchisees may also use other marks, registered or unregistered, that we own or have the right to use through the License Agreement and that we designate as part of the Marks.

There are no agreements currently in effect that significantly limit our right to use or license the use of the Marks.

Crushr IP has registered the following Marks with the Principal Register of the United States Patent and Trademark Office ("USPTO") and has filed all required affidavits and renewals with respect to each of the Marks:

Mark	U.S. Reg. No.	Issue Date
	6,254,863	January 26, 2021

Crushr IP has registered the following Marks with the Supplemental Register of the USPTO and has filed all required affidavits and renewals with respect to each of the Marks:

Mark	U.S. Reg. No.	Issue Date
CRUSHR	6,230,390	December 22, 2020

Crushr IP has applied for registration of the following Marks with the Principal Register of the USPTO and has filed all required affidavits with respect to each of the Marks:

Mark	U.S. App. Ser. No.	App. Date
	90,635,160	April 9, 2021

We do not have a federal registration for this trademark as of the issuance date of this disclosure document. Therefore, this 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 claim common law rights to the Marks and other terms and phrases used regularly in connection with the Crushr Business. We also claim common law rights to our designs, logos, and trade dress items, including color schemes and appearance, as well as copyright where applicable, but there have not been judicial determinations of the existence, validity or extent of our rights. We claim and intend to rely on common law and/or statutory trade secret and unfair competition protection for the proprietary materials and information you are awarded a license to use under the Franchise Agreement.

There are presently no final effective determinations of the USPTO, the Trademark Trial and Appeal Board or any trademark administrator of any state or any court proceedings which limit or restrict our right to use the above-described Marks or are relevant to your use of the Marks for your Crushr Business. There is presently no pending material litigation involving our principal trademarks. We are not aware of any prior rights or infringing uses of our Marks that could materially affect your use of our principal trademarks.

We have the right to control any administrative proceeding or litigation involving a trademark licensed by or to you. If you learn of any claim, suit or demand against you by a third party for any alleged infringement, unfair competition or similar matter due to your use of the Marks, in accordance with the terms of the Franchise Agreement, you must promptly notify us of the claim, suit or demand. We will then take whatever action we, in our sole discretion, consider necessary or appropriate. We intend to take reasonable steps to preserve and protect our ownership of the Marks and their validity. We are not obligated to protect any rights awarded to you to use the Marks or protect you against claims of infringement or unfair

competition regarding the Marks. You may not settle or compromise any claim by a third party without our prior written consent. We may defend, compromise or settle any claim at our cost, using attorneys that we choose, and you must cooperate fully with us in defending the claim. If you learn of any infringing use, you must promptly notify us. We will decide in our discretion whether or not to prosecute any purported infringement of the Marks and our decisions will be final.

We are the lawful and sole owner of the domain name(s) www.dumpstercrushr.com. You cannot register any of the Marks owned by us or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the Crushr System on the Internet and to create, operate, maintain and modify, or discontinue using, a website using the Marks. You may access our website. Except as we may authorize in writing in advance, however, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; or (iii) create or register any Internet domain name in connection with your franchise.

You may use only the Marks which we designate, and you may use them only in the manner we authorize and permit. Any goodwill associated with Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You may use the Marks only for the operation of the Crushr Business and only at your business location, on the Installed Vehicle, or in advertising for the Crushr Business. You will use all Marks without prefix or suffix and in conjunction with the symbols "SM," "TM," "S" or "®," as applicable, to the extent they have been validly registered in the USPTO. You may not use the Marks in connection with the offer or sale of any services or products which we have not authorized for use in connection with the Crushr System. You may not use the Marks as part of your corporate or other legal name. We must approve your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials "D/B/A" and the business name "Crushr." You must promptly register at the office of the county in which your Crushr Business is located, or such other public office as provided for by the laws of the state in which your Crushr Business is located, as doing business under such assumed business name.

All of your advertising must prominently display the Marks and must comply with our standards for using the Marks. All such advertising is subject to our prior written approval, which we will not unreasonably withhold. We reserve the right to approve all signs, stationery, business cards, forms, and other materials and supplies bearing the Marks. You may use the Marks including, without limitation, trade dress, color combinations, designs, symbols, and slogans, only in the manner and to the extent specifically permitted by the Franchise Agreement or by our prior written consent. You must submit to us and we must approve all advertising, publicity, signs, decorations, furnishings, equipment or other materials employing the Marks, or related marks, before first publication or use. You must identify yourself as the owner of the Crushr Business (in the manner we prescribe) in conjunction with any use of the Marks including, without limitation, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations as we may designate in writing on your business location.

If it becomes advisable at any time in our sole discretion for us or you to modify or discontinue use of the Marks, or use one or more additional or substitute trade or service marks, you must comply with our directions to modify or discontinue the use of the Marks within the time frame specified by us. We may add to, delete, or modify our Marks. You must accept, use, or cease using, as may be applicable, the Marks, including modified or additional Marks in accordance with our prescribed procedures, policies, rules and regulations whether contained in the Operations Manual, in the Franchise Agreement, or otherwise. You will not be compensated as a result of any discontinuation or modification of the Marks.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Under the Franchise Agreement, we sub-license to you the right to operate a Mobile Pulverizer in the operation of your Crushr Business. The Mobile Pulverizer is the subject of U.S. Patent No. 6,739,535, which is a Mechanical Patent for the proprietary Mobile Pulverizer device that is affixed to your Installed Vehicle (the "Licensed Patent"). The Licensed Patent was filed on July 17, 2002 and issued on May 25, 2004. The Licensed Patent has a duration of 20 years and 40 days from the filing date and expires on July 27, 2022. As part of the terms of the Smash-It Settlement, we have a royalty-free, non-exclusive license in and to the Licensed Patent. Under the Smash-It Settlement, our license to the Licensed Patent permits us to, for the life of the Licensed Patent: make or have made, import, use, sell, offer for sale, license, franchise and/or sub-franchise the mobile pulverizers claimed in the Licensed Patent to any of our agents, customers, potential customers, representatives, owners, members, managers, affiliate, successors, franchisees, sub-franchisees, manufacturers, brokers, distributors, suppliers and/or permitted assigns.

Under the Smash-It Settlement, Smash-It has no right to terminate our license to the Licensed Patent for any reason. Under the Smash-It Settlement, Smash-It retains ownership of the Licensed Patent and Smash-It reserves the right to make, have made, import, use, sell, offer for sale, license, sublicense, franchise and subfranchise the mobile pulverizer that is the subject of the Licensed Patent for Smash-It's own purposes and those of its third party licensees and assigns. Upon any transfer, sales or other transfer of ownership of the Licensed Patent, our license to the Licensed Patent will not be affected. Smash-It retains the exclusive right, but not the obligation, to police and sue and collect damages for the infringement of the Licensed Patent, except against us and our licensees, agents, customers, potential customers, representatives, owners, members, managers, affiliate, successors, franchisees, sub-franchisees, manufacturers, brokers, distributors, suppliers and/or permitted assigns

The Licensed Patent expires on July 27, 2022. Upon expiration of the patent, the invention claimed in the patent for the Mobile Pulverizer will no longer be protected by the patent laws, other parties may freely duplicate it, and you could face a material increase in competition from parties utilizing equipment similar or identical to the Mobile Pulverizer. We do not have any obligations to protect the Mobile Pulverizer patent or to defend you against claims arising from your use of patented or copyrighted items.

We are aware of a third party, Smash My Trash, LLC, a Delaware limited liability company conducting business throughout the United States independently and through its franchisees, that utilizes equipment similar to, and possibly infringing on, the Mobile Pulverizer. Any franchisees could face competition as a result of this third party's use of such equipment.

We claim copyrights in the Operations Manual, our advertising material, promotional letters and forms, educational and training material, and related proprietary items used in operating the Franchised Business which are material to your franchise. We will maintain common law copyright and/or copyright registrations for these works as published works.

You must operate your Crushr Business in accordance with our standards, specifications, policies and procedures as provided in the Operations Manual or otherwise communicated to you. You must treat the information contained in the Operations Manual and any other manuals or supplemental material supplied by us as confidential. The Operations Manual is our property and you may not duplicate, copy, disclose or disseminate the contents of the Operations Manuals at any time, without our prior written consent. We have the right to modify or supplement the Operations Manuals upon notice or delivery to you. You must keep the Operations Manuals current at all times, and upon the termination or non-renewal of your franchise return all copies of the Operations Manual and any supplemental manuals to us. You will

not require any rights in the patents or copyrights we license to you under the Franchise Agreement, and you will not receive any compensation if these licenses are modified or discontinued.

You may not divulge or use any confidential information concerning our methods or procedures during or after the term of the Franchise Agreement. Information made available to you may not be divulged to any person other than your employees or financial advisors who reasonably need access to such information for purposes of fulfilling their employment or contractual responsibilities to you. All employees to whom the information, or any of it, is made available shall be informed of this obligation of confidentiality.

Anyone (shareholders, members, employees, officers, directors, etc.) who are provided access to the Operations Manual or any other confidential information must sign a written agreement (on our standard form) (the "Confidentiality Agreement") imposing an obligation of confidentiality regarding the Operations Manual or other confidential information.

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

Unless we approve your employment of management personnel to operate the Crushr Business, you must actively participate in the actual operation of the Crushr Business and devote as much of your time as is reasonably necessary for its efficient operation. We recommend that you actively participate in the operation and supervision of the Crushr Business. You (if you are an individual) and/or your approved management must attend our training programs. Refer to Item 11 for details. You or your management must complete our initial training program to our sole, subjective satisfaction. We do not require your management to have an equity interest in the Crushr Business.

We may require every general partner and limited partner, if you are a partnership or limited partnership; or every member, if you are a limited liability company, or every stockholder or other holder of equity interest, if you are a corporation (collectively, "Owners"), to personally guaranty your obligations under the Franchise Agreement and also agree to be personally bound by, and jointly and severally liable for the breach of, any provision of the Franchise Agreement.

All of your owners, management personnel and employees who are provided access to the Operations Manual or other confidential information must sign a Confidentiality Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all, and only, those goods and services that we have expressly approved (in the Operations Manual or otherwise in writing) (See Item 8). We may add, delete, and change items that you may or must offer, in our unrestricted discretion, and this may require you to purchase or license additional equipment. You may serve customers only from and by way of the Crushr Business you have been authorized to operate. We do not restrict your access to customers, except that all sales must be made to customers physically located within your Territory. All sales must be made through our point-of-sale system. You may not collect cash from or otherwise charge customers outside of our point-of-sale system.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

THIS TABLE LISTS IMPORTANT PROVISIONS OF THE FRANCHISE AGREEMENT. YOU SHOULD CAREFULLY READ THESE PROVISIONS IN THE FRANCHISE AGREEMENT ATTACHED TO THIS DISCLOSURE DOCUMENT.

A. Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 4.1	The term is 10 years from the date we execute the Franchise.
b. Renewal or extension of the term	Section 4.2	If Franchisee is not in default under this Agreement, and if Franchisee has the right to continue to occupy the Premises, Franchisee may renew this Agreement (a "Renewal") for two (2) additional terms of five (5) years each (each a "Renewal Term").
c. Requirements for you to renew or extend[1]	Section 4.2	Franchisee shall exercise its option to renew the Initial Term of this Agreement for a Renewal Term by providing written notice to Franchisor not less than six (6) and not more than twelve (12) months prior to the expiration of the Initial Term or the then current Renewal Term; otherwise the renewal option shall expire automatically (the Initial Term and each Renewal Term is referred to as the "Term"). At least thirty (30) days prior to the start of a Renewal Term, Franchisee shall pay to Franchisor a renewal fee in an amount equal to twenty percent (20%) of the then-current initial franchise fee charged by Franchisor to similarly situated franchisees executing new franchise agreements. Each Renewal will be in accordance with Franchisor's then-current terms and conditions for granting renewal franchises, which may include: (i) execution of a new franchise agreement which may contain materially different terms and conditions from the original Franchise Agreement, (ii) execution of a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its parent, subsidiaries or affiliates (if applicable) and their officers, directors, attorneys, shareholders and employees; and (iii) a requirement that Franchisee upgrade or refurbish the Mobile Pulverizer to conform to Franchisor's then-current standards. A "Renewal" means an additional period of time in which you may continue to operate your Crushr Business in accordance with the then-current form of Franchise Agreement that you will sign at the time of the Renewal. Currently, we offer the opportunity for franchisees who comply with the renewal terms and conditions above to enter into two (2) additional renewal terms of five (5) years each.
d. Termination by you	Section 14	N/A
e. Termination by us without cause	Section 14	N/A
f. Termination by us with cause	Section 14	We can terminate only if you default.

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined – curable defaults	Section 14.1.2	If Franchisee fails to pay any financial obligation pursuant to this Agreement (a) within five (5) days of the date on which Franchisor gives notice of such delinquency, (b) immediately upon written notice if such payment has not been made within sixty (60) days after the date on which it is required to be paid, or (c) immediately upon written notice if Franchisee is determined to have under- reported its Gross Sales during any month by two percent (2%) or more of the actual Gross Sales during such month on two (2) or more occasions during the Term of this Agreement, whether or not Franchisee subsequently rectifies such deficiency; If Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by an appropriate authority to comply with any law or regulation applicable to the operation of the Franchised Business; If Franchisee fails to perform or breaches any covenant, obligation, term, condition, warranty or certification in the Franchise Agreement, or fails to operate the Franchised Business as specified by Franchisor in the Operations Manual, fails to pay promptly any undisputed invoices from Franchisor or suppliers, and fails to cure such non- compliance or deficiency within thirty (30) days (or such longer term as granted by Franchisor) after Franchisor's written notice; If Franchisee abandons or ceases to operate all or any part of the Franchised Business conducted under this Agreement for seventy-two (72) hours or longer (except as otherwise provided in this Franchise Agreement) or defaults under any mortgage, deed of trust or lease with Franchisor or any third party covering the Franchised Business or the Premises, fails to cure such abandonment or default and Franchisor or such third party treats such act or omission as a default, and Franchisee fails to cure such default to the satisfaction of Franchisor or such third party within any applicable cure period granted Franchisee by Franchisor or such third party. If Franchisor determines that the Mobile Pulverizer(s) being operated by Franchisee are not sufficiently servicing the customers in Franchisee's Protected Territory, Franchisor or its affiliate, after providing notice and an opportunity to cure such default, shall have the right, but not the obligation, to operate a Mobile Pulverizer(s) in the Protected Territory to satisfy such demands. This right shall be in addition to Franchisor's right to terminate this Agreement, and not in lieu of such right, or any other rights Franchisor may have against Franchisee, upon a failure to cure any default within the time provided by Franchisor. In the event that Franchisor or its affiliate exercises the rights described in this paragraph, Franchisee must reimburse Franchisor for all reasonable costs and overhead, if any, incurred in connection with its operation of the Mobile Pulverizer(s), including without limitation, costs of personnel for supervising and staffing, travel, and lodging.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined – non-curable defaults	Section 14.1.1	Automatically, without notice or action required by Franchisor, if Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, or, unless otherwise prohibited by law, if a petition in bankruptcy is filed by Franchisee, or such a petition is filed against and consented to by Franchisee or not dismissed within thirty (30) days, or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee, or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed; or if a final judgment in excess of Five Thousand Dollars ($5,000) against Franchisee relating to the Franchised Business remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction); If Franchisee fails to commence operation of the Franchised Business as required by Article 8; If Franchisee makes, or has made, any materially false statement or report to Franchisor in connection with this Agreement or application therefore; If there is any violation of any transfer and assignment provision contained in Article 13 of this Agreement; If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations of this Agreement during any twelve (12) month period; If Franchisee or its Designated Owner or Designated Representative fails to complete to Franchisor's reasonable satisfaction any of the training required pursuant to Section 8.4 of this Agreement; If Franchisee violates any covenant of confidentiality or non-disclosure contained in Article 9 of this Agreement or otherwise discloses, uses, permits the use of, copies, duplicates, records, transmits or otherwise reproduces any manuals, materials, goods or information created or used by Franchisor and designated for confidential use within the System without Franchisor's prior approval; If Franchisee or any person controlling, controlled by or under common control with Franchisee, or any principal officer or employee of Franchisee or any such person, owning an interest in the Franchised Business is convicted of a felony, or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to affect adversely the System, the Licensed Marks, the Mobile Pulverizer or the goodwill associated therewith. If Franchisee or any guarantor(s) hereof default on any other agreement with Franchisor, or any affiliate or parent corporation of Franchisor, and such default is not cured in accordance with the terms of such other agreement; If Franchisee fails to perform or breaches any covenant, obligation, term, condition, warranty or certification in this Agreement related to the Licensed Marks, including misuse of the Licensed Marks.

Provision	Section in Franchise Agreement	Summary
i. Your obligations on termination/ non-renewal	Section 15.1	Cease operating the Franchised Business under the System. Franchisee shall not thereafter, directly or indirectly, represent to the public that the former franchised business is operated or in any way connected with Franchisor or the System or hold itself out as a present franchisee of Franchisor; Pay all sums owing to Franchisor, including those invoiced to Franchisee after this Agreement expires or is terminated. Upon termination of this Agreement pursuant to any default by Franchisee, such sums shall include, but not be limited to, actual and consequential damages, costs and expenses (including reasonable attorneys' fees) incurred by Franchisor as a result of the termination. Return to Franchisor the Operations Manual and all trade secret and other confidential materials, equipment and other property owned by Franchisor, and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law; Take such action as may be required by Franchisor to transfer and assign to Franchisor or its designee or to disconnect and forward all telephone numbers, e-mail, internet and other electronic references and advertisements, and all trade and similar name registrations and business licenses, and to cancel any interest which Franchisee may have in the same; and Cease to use any methods, procedures or techniques associated with the System; cease to use the Licensed Marks and any other marks and indicia of operation associated with the System, and any marks confusingly similar thereto, and remove all trade dress, physical characteristics, color combinations and other indications of operation under the System or with the Installed Vehicle. Without limiting the generality of the foregoing, Franchisee agrees that in the event of any termination or expiration of this Agreement, it will de-identify the so as to make it not confusingly similar to Franchisor's standardized and recognizable indicia or colors. If Franchisee fails to make such alterations within fifteen (15) days after termination or expiration of this Agreement, Franchisee agrees that Franchisor or its designated agents may enter upon the Premises at any time to make such alterations, at Franchisee's sole risk and expense, without liability for trespass.
j. Assignment of contract by us	Section 13.1	This Agreement and all rights and duties hereunder may be freely assigned or transferred by Franchisor, in whole or in part, without Franchisee's consent, in its sole discretion, but only to a person or legal entity that agrees to assume Franchisor's obligations hereunder, and shall be binding upon and inure to the benefit of Franchisor's successors and assigns including, without limitation, any entity which acquires all or a portion of the equity of Franchisor or any entity resulting from or participating in a merger, consolidation or reorganization in which Franchisor is involved, and to which Franchisor's rights and duties hereunder (in whole or in part), are assigned or transferred.

Provision	Section in Franchise Agreement	Summary
k. "Transfer" by you – defined	Section 13	Directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest; (i) in this Agreement or any portion or aspect thereof, (ii) the Franchised Business, or (iii) any equity or voting interest in Franchisee that equals or exceeds twenty percent (20%) of the total equity or voting interests in Franchisee on a fully diluted basis, nor permit the Franchised Business to be operated, managed, directed or controlled, directly or indirectly, by any person other than Franchisee
l. Our approval of transfer by you	Section 12	Transfers require (i) our prior written consent, which will not be unreasonably withheld; and (ii) the satisfaction of certain conditions..
m. Conditions for our approval of transfer	Section 13	The proposed transferee is a person or entity that meets the Franchisor's standards of qualification then applicable with respect to all new applicants for similar Franchisees; The proposed Transfer is on commercially reasonable terms; As of the effective date of the proposed Transfer, all obligations of Franchisee hereunder and under any other agreements between Franchisee and Franchisor are fully satisfied; As of the effective date of the proposed Transfer, all obligations of the proposed transferee to the Franchisor under all other agreements of any kind between the proposed transferee and Franchisor are fully satisfied; and As of the effective date of the proposed Transfer, Franchisor shall have forwarded to Franchisee its approval, granted in its reasonable business judgment, of the proposed Transfer to the proposed transferee, in accordance with the following provisions of this Article 13.
n. Our right of first refusal to acquire your business	Section 13.2.5	We can match any offer for your business.
o. Our option to purchase your business	Section 8.2.5 & 13	Upon expiration or termination of the Franchise Agreement, we may purchase your business.
p. Your death or disability	Section 13.3	Same requirements as for transfer in "m" above
q. Non-competition covenants during the term of the franchise	Section 12.1	Franchisee agrees: To use its best efforts in operating the Franchised Business and in recommending, promoting and encouraging patronage of all Crushr Businesses; Not to engage, directly or indirectly, as an owner, operator, or in any managerial capacity in any Competing Business (as defined below) at or within a twenty-five (25)- mile radius of the Premises or the protected territory of any other System franchisees in operation
r. Non-competition covenants after the franchise is terminated or expires	Section 12.2	For a period of two (2) years after such termination, expiration, non-renewal, transfer or assignment, not to engage, directly or indirectly, as an owner, operator, or in any managerial capacity, in any Competing Business at or within a twenty-five (25)- mile radius of the Premises or the protected territory of any other System franchisees in operation at the time of such termination, expiration, non-renewal, transfer or assignment.
s. Modification of the agreement	Section 19	The Operations Manual is subject to change. Modifications become effective upon delivery of written notice to you, unless the notice specifies a longer period. No modification unless by mutual written agreement.

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	Section 25	All agreements between the parties are in the Franchise Agreement and its exhibits. Subject to applicable state law, only the terms of the Franchise Agreement are binding. Any representations or promises made outside this disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration	Section 22.2	Mandatory mediation and arbitration in Jefferson County, Kentucky. We may seek injunctive relief without submitting to mandatory mediation or arbitration. Subject to applicable state law.
v. Choice of forum	Section 22.2	Except for certain claims, all disputes must arbitrated in Louisville, Kentucky. Subject to applicable state law.
w. Choice of law	Section 22.1	Kentucky law applies. Subject to applicable state law.

B. DEVELOPMENT AGREEMENT

	Provision	Section in Development Agreement	Summary
a.	Length of the franchise term	Section 5	The term expires upon the deadline to develop the Crushr Businesses specified in the Development Schedule or upon the development of all Crushr Businesses.
b.	Renewal or extension of the term	Not Applicable	Not Applicable
c.	Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d.	Termination by franchisee	Not Applicable	Not Applicable
e.	Termination by franchisor without cause	None	Not Applicable
f.	Termination by franchisor with cause	Section 6.1	We can terminate only if you default (see (g) and (h) below).
g.	"Cause" defined – curable defaults	Not applicable	Not Applicable
h.	"Cause" defined - non-curable defaults	Section 16.1	You fail to have open and operating the minimum number of Crushr Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule; any Franchise Agreement is terminated a result of default; or you breach or otherwise fail to comply fully with any other provision of the Development Agreement.
i.	Franchisee's obligations on termination/non-renewal	Sections 6.2	You will lose the right to continue to develop Crushr Businesses in your Development Area.
j.	Assignment of contract by franchisor	Section 7	Fully assignable and transferrable by us.

	Provision	Section in Development Agreement	Summary
k.	"Transfer" by franchisee - defined	Section 7	Includes transfer of the Development Agreement, any interest in the Development Agreement, or, if you are a business entity, any interest in the entity.
l.	Franchisor approval of transfer by franchisee	Section 7	We have the right to approve or not approve all transfers in our sole discretion.
m.	Conditions for franchisor approval of transfer	Section 7	We have sole discretion in setting conditions for our approval of a transfer.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 7	We have the first right of refusal on all transfer, exercisable withing 30 days of receiving an executed copy of the contract of transfer.
o.	Franchisor's option to purchase franchisee's business	Not applicable	Not applicable
p.	Death or disability of franchisee	Not applicable	We have the right approve or disapprove any transfer in our sole discretion.
q.	Non-competition covenants during the term of the franchise	Section 8	The non-competition covenants in your Franchise Agreement shall apply to your Development Agreement
r.	Non-competition covenants after the franchise is terminated or expires	Section 8	The non-competition covenants in your Franchise Agreement shall apply to your Development Agreement.
s.	Modification of the agreement	Section 10	No modifications to the Development Agreement unless you and we agree in writing. We may amend the Operations Manual at any time.
t.	Integration/merger clause	Section 10	Only the terms of the Development Agreement and any Franchise Agreements are binding (subject to state law). Any promises outside the Development Agreement, the Franchise Agreements, and this FDD may not be enforceable. However, nothing in the Franchise Agreement will have the effect of disclaiming any of the representations made in this FDD.
u.	Dispute resolution by arbitration or mediation	Section 9	The dispute resolution provisions of the Franchise Agreement apply to any disputes under the Development Agreement (subject to applicable state law)
v.	Choice of forum	Section 9	The choice of forum provisions of the Franchise Agreement apply to the Development Agreement (subject to applicable state law)
w.	Choice of law	Section 9	The choice of law provisions of the Franchise Agreement apply to the Development Agreement (subject to state law)

Applicable state law may require additional disclosures related to the information in this Disclosure Document. These additional disclosures appear in the Exhibit D: State Specific Addenda to this Disclosure Document.

The provision in the Franchise Agreement, which provides for termination upon your bankruptcy, may not be enforceable under federal bankruptcy law (11 U.S.C., et seq.).

ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote the Franchised Business but may do so in the future.

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 an 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 an Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We have operated one Crushr Business similar to the ones offered under this Disclosure Document since January of 2017. Throughout this Disclosure Document and in this Item 19 we refer to this as the "Company-Owned Outlet". Presented in Table 1 below is a summary of income and certain expenses showing the Company-Owned Outlet's historical results from January 1, 2021 to December 31, 2021 (the "Measurement Period"). Throughout the Measurement Period, our Company-Owned Outlet was operating in and around Louisville, Kentucky, including portions of southern Indiana. The Company-Owned Outlet serviced Qualified Businesses in an area approximately the size of a Protected Territory we would grant to a franchise outlet in this area. Our Company-Owned outlet operated one Installed Vehicle in this area full-time during the Measurement Period. The summary of income and certain expenses has not been audited, reviewed, or verified by an independent accountant. Except as discussed in the notes below, the Company-Owned Outlet operates in a substantially similar manner to how your Crushr Business will operate, though we expect there may be variances between your Crushr Business and the Company-Owned Outlet based upon factors such as geographic location, length of time in operation, relative experience of the operator, and the number of Installed Vehicles in operation.

In Table 2 of this Item 19, we present the total Gross Sales attained during the Measurement Period for the 10 franchisee-owned outlets that were in operation for the entirety of the Measurement Period (the "Disclosed Franchise Outlets"). We obtained these historical financial results from the profit and loss reports submitted by the Disclosed Franchise Outlets, and an outlet's continuous operation throughout the Measurement Period is the only criteria we used for inclusion in this Table 2. There were a total of 25 franchise outlets as of December 31, 2021. Because the other 15 franchise outlets were not open on or before January 1, 2021, they did not operate for the full Measurement Period, we have therefore excluded them from this Item 19.

In Table 3 of this Item 19, we present Gross Sales data for the Disclosed Franchise Outlets comparatively from Q1 of 2021 and Q1 of 2022.

The explanatory notes included with the following charts are an integral part of this financial performance representation and should be read in their entirety for a full understanding of the information contained in the following charts.

Some outlets have sold this much. Your individual results may differ. There is no assurance you'll sell as much.

Table 1 – Company-Owned Outlet Statement of Income and Certain Expenses - 2021

Item	Amount
Gross Sales	$247,512
Royalty Fees	$19,801
Brand Fund Contribution	$2,475
Local Area Advertising	$6,000
Technology Fees	$3,900
COGS	$17,155
Gross Profit	**$198,181**
Labor Expense	$75,676
Insurance	$6,367
Miscellaneous Expenses	$2,612
Total Expense	$85,468
Net Income	**$112,713**
Net Margin	**45.5%**

Notes to Table 1

1. The "Net Income" figures represented above do not include certain costs and expenses you will incur in the categories of depreciation, amortization, interest or principal payments on loans to the business or income taxes owed by the business or its owners.

2. "Gross Sales" means the aggregate gross amount of all revenues from whatever source derived (whether in the form of cash, credit, agreements to pay or other consideration, and whether or not payment is received at the time of sale or any such amounts prove un-collectible) from providing mobile trash compacting services by the Company-Owned Outlet.

3. "Net Margin" is calculated as Net Income divided by Gross Sales.

4. The Company-Owned Outlet does not pay the Royalty Fee (8% of Gross Sales), the Brand Fund Contribution (1% of Gross Sales), the Technology Fee ($325 per month) or the $500 per month Local Area Advertising Requirement. We have included an estimate of these fees for the Company-Owned Outlet in the table above and the "Gross Profit" and "Net Income" figures include these fees as an imputed expense to the Company-Owned Outlet as if they were actually paid during the Measurement Period.

5. The Company-Owned Outlet did not incur any expenses related to storage of its Installed Vehicle because it had access to rent-free storage at an existing facility. You are likely to incur expenses for storing your Installed Vehicle. See Item 7. Other than this, there are no other material financial or operational characteristics of the Company-Owned Outlet that are different from the anticipated future operations of Crushr franchise outlets.

6. The Company-Owned Outlet has been in operation since 2017. The expenses listed above do not reflect other expenses you may incur as a new business, such as legal and accounting fees, the purchase price of the Installed Vehicle, the Franchise Fee, travel expenses for training, payroll costs you may incur prior to opening your Crushr Business, and other initial start-up costs that are customary for a new business.

Table 2 –Gross Sales – Disclosed Franchise Outlets - 2021

Outlet	Territory/Trucks	2021 Gross Sales
Franchisee Outlet #1	4/4	$698,940
Franchisee Outlet #2	1/1	$370,047
Franchisee Outlet #3	1/1	$157,066
Franchisee Outlet #4	1/1	$155,245
Franchisee Outlet #5	1/1	$147,239
Franchisee Outlet #6	1/1	$145,530
Franchisee Outlet #7	1/1	$136,649
Franchisee Outlet #8	1/1	$96,749
Franchisee Outlet #9	1/1	$92,761
Franchisee Outlet #10	1/1	$88,114

Table 3 – Q1 2021 to Q1 2022 – Same Store Sales Comparison

Outlet	2021 - Q1	2022 - Q1	Difference	% Change
Franchisee Outlet #1	$149,492	$225,676	$76,184	+51%
Franchisee Outlet #2	$57,062	$113,938	$56,877	+100%
Franchisee Outlet #3	$23,840	$15,340	($8,500)	-36%
Franchisee Outlet #4	$19,825	$60,290	$40,465	+204%
Franchisee Outlet #5	$37,979	$21,894	($16,085)	-42%
Franchisee Outlet #6	$23,140	$58,546	$35,406	+153%
Franchisee Outlet #7	$12,189	$41,058	$28,869	+237%
Franchisee Outlet #8	$3,660	$52,625	$48,965	+1,338%
Franchisee Outlet #9	$20,250	$30,127	$9,878	+49%
Franchisee Outlet #10	$21,241	$17,849	($3,392)	-16%
Total	**$368,677**	**$637,343**	**$268,666**	**+73%**

Note to Tables 2 & 3:

1. "Gross Sales" means the aggregate gross amount of all revenues from whatever source derived (whether in the form of cash, credit, agreements to pay or other consideration, and

whether or not payment is received at the time of sale or any such amounts prove uncollectible) from providing mobile trash compacting services by the Franchised Outlets.

Written substantiation to support the information appearing in this financial performance representation is available to you upon reasonable request.

Other than the preceding financial performance representation, we do not make any representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing business, however, we may provide you with the actual records of that business. 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 K. Scott Dennison, 13011 West U.S. Highway 42, Suite 206, Prospect, KY 40059, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2019 to 2021

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE (+ or -)
Franchised	2019	3	4	+1
	2020	4	14	+10
	2021	14	25	+11
Company Owned	2019	1	1	0*
	2020	1	1	0
	2021	1	1	0
Total Outlets	2019	4	5	+1
	2020	5	15	+10
	2021	15	26	+11

*In 2019, the Franchisor sold one Installed Vehicle to a franchisee who put the Installed Vehicle into service as a Franchised Outlet in Panama City. In 2020, we permitted the Panama City franchisee to transfer its franchise agreement and sell its Installed Vehicle to a franchise outlet operating in Nashville, Tennessee.

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2019 to 2021

STATE	YEAR	NUMBER OF TRANSFERS
Wisconsin	2019	0
	2020	0
	2021	1*
Tennessee/Florida	2019	0
	2020	1**
	2021	0
Total Outlets	2019	0
	2020	1
	2021	1

*In December, 2021, the owner of the Franchise Outlet in Milwaukee, Wisconsin was permitted to transfer its franchise agreement and sell its Installed Vehicle to a franchisee with an existing Franchise Outlet in Green Bay, Wisconsin.

**In 2020, a Franchise Outlet with a territory in Panama City Florida was permitted to transfer its franchise agreement and sell its Installed Vehicle to a franchisee with an existing Franchise Outlet in Nashville, Tennessee.

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2019 to 2021

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWA LS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS - OTHER REASONS	OUTLETS AT END OF YEAR
FL	2019	0	1	0	0	0	0	1
	2020	1	2	0	0	0	1	2
	2021	2	0	0	0	0	0	2
GA	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
IN	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
KY	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
MO	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
NC	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
NE	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
NJ	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	3	0	0	0	0	3
OH	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
SC	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
TN	2019	2	0	0	0	0	0	2
	2020	2	1	0	0	0	0	3
	2021	3	1	0	0	0	0	4

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWA LS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF YEAR
TX	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
UT	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
WI	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
District of Columbia	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Total Outlets	2019	3	1	0	0	0	0	4
	2020	4	11	0	0	0	1	14
	2021	14	11	0	0	0	0	25

*The Ceased Operations listed for the state of Florida in 2020 is the Panama City franchisee that was permitted to transfer its franchise agreement and sell its Installed Vehicle to an existing Franchise Outlet operating in Nashville, Tennessee.

TABLE NO.4
STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2019 to 2021

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF THE YEAR
Indiana	2019	0	1	0	0	1*	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Kentucky	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Total Outlets	2019	1	1	0	0	1	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1

*In 2019, we sold an Installed Vehicle that was operated as a company-owned outlet in Indianapolis, Indiana to a franchisee for the operation of a franchised outlet in Panama City, Florida. In 2020, the Panama City franchisee was permitted to transfer its franchise agreement and sell its Installed Vehicle to a franchisee with an existing Franchise Outlet in Nashville, Tennessee.

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2021

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN NEXT FISCAL YEAR	PROJECTED NEW COMPANY OWNED OUTLETS IN NEXT FISCAL YEAR
AL	2	1	0
KY	1	1	0
MA	2	1	0
MO	1	1	0
NC	1	1	0
NJ	5	0	0
TN	1	1	0
TX	3	3	0
UT	1	1	0
WI	1	0	0
TOTAL	18	10	0

Our fiscal year ends on December 31 of each year. We have presented all of the foregoing numbers as of December 31, 2020.

Exhibit F lists the names of all current and former franchisees and the addresses and telephone numbers of their outlets as of December 31, 2021.

Except as noted above, there are no franchisees 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 has 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 previous three (3) fiscal years, some current and former franchisees have signed confidentiality clauses. In some instances, current and former franchisee sign provisions restricting their ability to speak openly about their experience with the Crushr System. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no independent franchisee organizations associated with the Crushr System.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit A are our audited financial statements dated as of December 31, 2019, December 31, 2020 and December 31, 2021. Also included in Exhibit A is our unaudited balance sheet and statement of operations for the period ending July 31, 2022. Our fiscal year ends December 31 each year.

ITEM 22. CONTRACTS

Attached to this Disclosure Document are the following contracts and their attachments:

Exhibit B: Franchise Agreement (with attachments)
Exhibit C: Area Development Agreement (with attachments)
Exhibit H: Confidentiality, Non-Competition and Non-Solicitation Agreement
Exhibit J: Receipts

ITEM 23. RECEIPTS

Attached as Exhibit J. on the last 2 pages of this Disclosure Document are duplicate Receipts to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT A - FINANCIAL STATEMENTS

Smash Brothers, LLC

Balance Sheet

As of July 31, 2022

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1010 Corporate (9656)	137,274.65
1020 Franchise (9672)	957,277.64
1025 Chase Wire Account (3962)	200.00
1027 Limestone Bank	25,000.00
1030 Central Bank - 8046	19,572.50
Total Bank Accounts	**$1,139,324.79**
Accounts Receivable	
1200 Accounts Receivable (A/R)	545,085.76
Total Accounts Receivable	**$545,085.76**
Other Current Assets	
1201 Other Receivables	0.00
1255 Due to/from Waste Brothers	212,284.01
1260 Due To/From Franchise Owner	339.76
1300 Prepaid Expenses	15,254.58
1350 Advances to Members	9,048.76
1355 Undeposited Funds	-553.00
1400 Inventory Asset	0.00
1410 Inventory	557,329.11
1420 Construction Work-in-progress	280,200.00
1600 Prepaid Commissions	
1675 Prepaid Commission, Net	389,190.00
1680 Prepaid FranDevCo Placement Fee, Net	1,101,356.68
1685 Prepaid FCC Placement Fee, Net	378,471.67
1686 Prepaid The Entrepreneur Authority Placement Fee, Net	66,625.03
1687 Prepaid Frannet, LLC Placement Fee, Net	76,166.67
1688 Prepaid You Network Commissions, Net	101,500.00
1689 Prepaid A2B Franchise Consulting, Net	68,833.34
1690 Prepaid FranoCity Placement Fee	93,250.01
1691 Prepaid Franserve Placement Fee, Net	25,000.00
1692 Prepaid Quest Placement Fee, Net	34,869.65
1693 Prepaid B. Reed Placement Fee, Net	25,000.00
Total 1600 Prepaid Commissions	**2,360,263.05**
Total Other Current Assets	**$3,434,166.27**
Total Current Assets	**$5,118,576.82**
Fixed Assets	
1500 Machinery & Equipment	575,228.17
1550 Accumulated Depreciation	-170,900.34
1625 Intangible Assets	250,000.00
1650 Accumulated Amortization	-250,000.00
Total Fixed Assets	**$404,327.83**

	TOTAL
Other Assets	
1700 Waste Bros Investment	12,500.00
Total Other Assets	**$12,500.00**
TOTAL ASSETS	**$5,535,404.65**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	291,509.12
Total Accounts Payable	**$291,509.12**
Credit Cards	
2119 Scott Chase CC (2600)	670.25
MASTER CC	4,410.70
2120 SD CC 5520	20,635.22
DH 1323	4,459.23
SP 9707	1,903.40
Total MASTER CC	**31,408.55**
Total Credit Cards	**$32,078.80**
Other Current Liabilities	
2110 Other Current Liabilities	
2162 Management Fee Accrual	327,255.92
2164 Deferred Equipment Sales Revenue	0.00
Total 2110 Other Current Liabilities	**327,255.92**
2112 Employer Payroll Tax Liability	0.00
2113 Employee Fed/FICA Payroll Tax	0.00
2116 Child Support	0.00
2117 Payroll Liability	0.00
2148 Line of Credit - Limestone Bank	0.00
2149 Line of Credit - Central Bank	0.00
2150 Line of Credit - Wilson & Muir	254,337.54
2151 Short-Term Loan Payable	0.00
2153 Accrued Liabilities	18,500.00
2157 Due to Smash Brothers Management	9,000.00
2158 Interest Payable	0.00
2159 Accrued Interest	86,910.22
2161 Deferred Franchise Income - Current Portion	67,813.00
2506 Due to Scott Dennison	123,614.40
2507 Clearleaf Finance LLC	1,000,000.00
2510 Loan Payable - Daimler 9001	196,665.65
2511 Loan Payable - Daimler 7001	88,818.99
Total Other Current Liabilities	**$2,172,915.72**
Total Current Liabilities	**$2,496,503.64**
Long-Term Liabilities	
2156 SBA EIDL	141,000.00
2160 Deferred Franchise Revenue	1,407,976.00
Total Long-Term Liabilities	**$1,548,976.00**
Total Liabilities	**$4,045,479.64**
Equity	

	TOTAL
3000 Opening Balance Equity	0.00
3010 Retained Earnings	-454,563.77
3100 Equity	0.00
3110 Equity - Smash Brothers Investment Group LLC	200,000.00
3120 Equity - Smash Brothers Management LLC	743,666.67
3130 Equity - Smash Brothers Licensing LLC	0.00
3131 Equity - Kenneth Hodge	40,000.00
3132 Equity - William Chandler	33,000.00
3133 Equity - Scott Brinkman	87,000.00
3134 Equity - BB Investments LLC	0.00
3135 Equity - Venture First	28,600.00
3200 Partner Distributions - Smash Brothers Management LLC	-25,000.00
Net Income	837,222.11
Total Equity	**$1,489,925.01**
TOTAL LIABILITIES AND EQUITY	**$5,535,404.65**

Smash Brothers, LLC

Profit and Loss

January - July, 2022

	TOTAL
Income	
40000 Revenue	
41000 Services	
40015 Crushes	147,748.00
Total 41000 Services	**147,748.00**
42000 Franchise Related	
40010 Franchise Fees	1,013,986.00
40020 Royalties	225,254.64
40025 Brand Fund	24,067.12
40030 Technology Fees	37,175.00
40035 EPAX Systems	1,498,800.00
Total 42000 Franchise Related	**2,799,282.76**
Total 40000 Revenue	**2,947,030.76**
Total Income	**$2,947,030.76**
Cost of Goods Sold	
50000 Cost of Goods Sold	
50010 Parking & Tolls	2,410.68
50015 EPAX Systems - COGS	930,607.03
50030 Fuel	17,244.59
50035 Repairs & Maintenance	43,684.20
50050 Technology Costs	101,184.69
Total 50000 Cost of Goods Sold	**1,095,131.19**
Total Cost of Goods Sold	**$1,095,131.19**
GROSS PROFIT	**$1,851,899.57**
Expenses	
61000 Personnel Expenses	
61010 Salaries & Wages	150,190.81
61012 Related Party Wages	14,520.59
Total 61010 Salaries & Wages	**164,711.40**
61015 Taxes & Benefits	
61016 Employer Taxes	21,862.07
61017 Workers Comp	3,713.38
61018 Benefit Expenses	6,974.59
Total 61015 Taxes & Benefits	**32,550.04**
61020 Contract Labor	78,110.42
61021 Payroll Processing Fee	1,080.94
Total 61000 Personnel Expenses	**276,452.80**
62000 Sales & Marketing	
62005 Brand Marketing	19,696.14
62015 Discovery Day Expense	15,450.86
62017 Franchise Development	62,615.59
62020 Travel (Franchise Development)	35,418.36

	TOTAL
62025 Meals & Hospitality	6,822.83
62030 Sales Commissions	30,638.43
62035 Franchise Placement Fees	82,074.08
Total 62000 Sales & Marketing	**252,716.29**
63000 General & Administrative	
63005 Rent & Utilities	15,079.95
63010 Professional Fees	98,788.71
63015 Insurance	20,992.10
63020 Office Expenses	7,771.86
63022 Quickbooks Fees	1,298.02
63033 Operations Software	17,656.91
63035 Travel (Louisville Market)	0.00
63036 Bank Charges & Fees	1,406.74
63037 Taxes & Licenses	19,253.89
63039 Management Fee Expense	147,330.67
Total 63000 General & Administrative	**329,578.85**
Total Expenses	**$858,747.94**
NET OPERATING INCOME	**$993,151.63**
Other Expenses	
6400 Reimbursable Expense	0.00
80000 Other Expense	0.00
80004 Allowance for Bad Debts	700.00
80005 Depreciation	33,386.26
80010 Amortization	23,888.36
80015 Interest Expense	97,954.90
Total 80000 Other Expense	**155,929.52**
Total Other Expenses	**$155,929.52**
NET OTHER INCOME	**$ -155,929.52**
NET INCOME	**$837,222.11**

Financial Statements
for
SMASH BROTHERS, LLC

Years Ended December 31, 2021 and 2020
with Report of Independent Auditors

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DEANDORTON

Report of Independent Auditors

Members
Smash Brothers, LLC
Prospect, Kentucky

Opinion

We have audited the accompanying financial statements of Smash Brothers, LLC (the Company), which comprise the balance sheets as of December 31, 2021 and 2020, the related statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Dean Dorton Allen Ford, PLLC

Louisville, Kentucky
April 21, 2022

SMASH BROTHERS, LLC

Balance Sheets

December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	**$ 339,567**	$ 171,970
Accounts receivable	**1,099,053**	156,525
Other receivables	**150,000**	-
Prepaid expenses	**12,459**	27,954
Deferred commissions	**124,105**	3,300
Deposit on equipment for resale	**-**	30,380
Inventory	**1,072,249**	517,107
Total current assets	**2,797,433**	907,236
Property and equipment, net	**340,836**	148,891
Other assets:		
Intangible asset, net	**23,888**	79,444
Advances to related parties	**167,844**	80,793
Deferred commissions, net of current portion	**1,044,107**	28,325
Investment in partnership - at cost	**12,500**	12,500
Total assets	**$ 4,386,608**	$ 1,257,189

Liabilities and Members' Equity	2021	2020
Current liabilities:		
Accounts payable	**$ 399,692**	$ 119,964
Accrued expenses	**66,904**	29,273
Due to related party	**132,614**	67,614
Lines of credit	**580,965**	287,712
Notes payable, current portion	**1,122,422**	437,742
Deferred revenue, current portion	**617,175**	102,450
Total current liabilities	**2,919,772**	1,044,755
Long-term liabilities:		
Notes payable, net of current portion	**319,207**	138,258
Deferred revenue, net of current portion	**315,000**	58,100
Management fee payable-related party	**179,925**	-
Total liabilities	**3,733,904**	1,241,113
Members' equity	**652,704**	16,076
Total liabilities and members' equity	**$ 4,386,608**	$ 1,257,189

See accompanying notes to the financial statements.

SMASH BROTHERS, LLC

Statements of Operations

Years ended December 31, 2021 and 2020

	2021	2020
Revenues:		
Services	**$ 247,512**	$ 319,597
Franchise related	**3,350,993**	1,114,044
Total revenues	**3,598,505**	1,433,641
Expenses:		
Cost of equipment sold	**1,571,443**	803,576
Cost of services sold (exclusive of depreciation noted below)	**134,799**	144,978
Administrative and general	**575,051**	240,012
Management fee expense-related party	**179,925**	-
Professional fees	**150,483**	247,085
Depreciation	**36,130**	28,528
Amortization	**55,556**	55,556
Total expenses	**2,703,387**	1,519,735
Operating income (loss)	**895,118**	(86,094)
Other income (expense):		
PPP loan income	**-**	48,123
Other expense, net	**(124,445)**	-
Interest expense	**(171,045)**	(43,188)
Total other (expense) income	**(295,490)**	4,935
Net income (loss)	**$ 599,628**	$ (81,159)

See accompanying notes to the financial statements.

SMASH BROTHERS, LLC

Statements of Changes in Members' Equity

Years ended December 31, 2021 and 2020

December 31, 2019	$ 68,635
Net loss	(81,159)
Contributions	95,267
Purchase of membership units	(66,667)
December 31, 2020	16,076
Net income	**599,628**
Contributions	**37,000**
December 31, 2021	**$ 652,704**

See accompanying notes to the financial statements.

SMASH BROTHERS, LLC

Statements of Cash Flows

Years ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Net income (loss)	**$ 599,628**	$ (81,159)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Bad debt expense	**-**	4,246
Depreciation	**36,130**	28,528
Amortization	**55,556**	55,556
PPP loan income	**-**	(48,123)
Services rendered for membership interest	**16,320**	45,267
Increase (decrease) in cash due to changes in:		
Accounts receivable	**(1,092,528)**	(97,428)
Prepaid expenses	**15,495**	(13,965)
Equipment deposits	**30,380**	(16,073)
Inventory	**(555,142)**	(517,107)
Deferred commissions	**(1,136,587)**	(31,625)
Accounts payable	**300,408**	(53,654)
Accrued expenses	**37,631**	28,034
Due to related party	**244,925**	67,614
Deferred revenue	**771,625**	160,550
Net cash used in operating activities	**(676,159)**	(469,339)
Cash flows from investing activities:		
Investment in partnership	**-**	(12,500)
Purchase of property and equipment	**(228,075)**	(3,172)
Net cash used in investing activities	**(228,075)**	(15,672)

SMASH BROTHERS, LLC

Statements of Cash Flows, continued

Years ended December 31, 2021 and 2020

	2021	2020
Cash flows from financing activities:		
Borrowings on revolving credit agreement	**314,714**	141,634
Proceeds from notes payable	**1,215,629**	491,000
Proceeds from note payable - related party	**-**	85,000
Proceeds from PPP loan	**-**	48,123
Payments on revolving credit agreement	**(21,461)**	(63,044)
Principal payments on notes payable	**(350,000)**	(45,530)
Contributions	**-**	50,000
Purchase of membership units	**-**	(66,667)
Advances to related parties	**(87,051)**	(11,744)
Net cash provided by financing activities	**1,071,831**	628,772
Net increase in cash and cash equivalents	**167,597**	143,761
Cash and cash equivalents, beginning of year	**171,970**	28,209
Cash and cash equivalents, end of year	**$ 339,567**	$ 171,970
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	**$ 134,877**	$ 30,452
Noncash financing transactions:		
Accounts payable converted to membership units	**$ 20,680**	$ -

See accompanying notes to the financial statements.

SMASH BROTHERS, LLC

Notes to the Financial Statements

1. Description of the Organization

Smash Brothers, LLC (the Company) does business under the name "Crushr" and is engaged in the waste disposal industry. Its mobile waste compaction service is provided to users of open-top ("roll-off") dumpsters in order to reduce wasted space within a dumpster, thus reducing the frequency that a dumpster requires emptying. The Company operates in the Louisville, Kentucky area, but its franchise rights extend to the entire United States of America.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) which require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity, at time of purchase, of three months or less to be cash equivalents.

The Company maintains cash balances in financial institutions that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Accounts Receivable

The Company's management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. If amounts become uncollectible, they will be charged to operations when that determination is made. If amounts previously written off are collected, they will be credited to income when received.

Inventory

Inventory consists of equipment purchased to be used as part of the final pulverizing unit. Inventory is recorded at lower of cost or net realizable value. The flow of inventory is on a first-in, first-out basis. If items become obsolete, or otherwise unusable, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the assets. The cost of equipment and vehicles as of December 31, 2021 and 2020 were $478,350 and $250,275, respectively. The associated accumulated depreciation was $137,514 and $101,384, respectively. The Company uses a 10-year estimated life to depreciate its fixed assets.

Depreciation expense during the years ended December 31, 2021 and 2020 was $36,130 and $28,528, respectively.

2. Summary of Significant Accounting Policies, continued

Intangible Asset

The Company owned a territory license granted by Smash-It, LLC which established an assumed protected market area in which only the Company could operate and re-license to franchisees. The Company paid $250,000 for this license in 2017 which related to an initial five year period, with 9 optional renewal periods for a maximum life of 50 years.

In 2018, the Company adjusted the useful life of the intangible from 50 years to 5 years. The ability to license the patent was part of the original license agreement and remains in place per the settlement agreement. Amortization expense was $55,556 for both of the years ended December 31, 2021 and 2020. As of December 31, 2021 and 2020, the Company has accumulated amortization of $226,112 and $170,556, respectively.

Deferred Commission Costs

The incremental direct costs of obtaining a franchise contract, which consist of internal and external sales commissions, are deferred and amortized over the estimated life of the customer relationship. Due to the early state of the Company's existence, management is using the initial 10 year franchise agreement to estimate the life of the customer relationship. Deferred commission costs are classified as current or noncurrent based on the timing of when the Company expects to recognize the expense. At December 31, 2021, the Company had $1,168,212 of deferred commission costs with $124,105 included in current assets and $1,044,107 included in long-term assets, net of current accumulated amortization of $27,743. At December 31, 2020, the Company had $31,625 of deferred commission costs with $3,300 included in current assets and $28,325 included in long-term assets, net of current accumulated amortization of $1,375. The amortization expense related to deferred commission costs is reflected in administrative and general expenses in the accompanying statements of operations. During the years ending December 31, 2021 and 2020, the Company incurred amortization expense of $26,368 and $1,375, respectively.

Advertising

Advertising costs are expensed as incurred. For the years ended December 31, 2021 and 2020, advertising expenses were $57,126 and $33,690, respectively.

Revenue Recognition

The Company engages in selling franchise agreements. The franchise agreement requires the franchisee to pay an initial, non-refundable, 10-year franchise fee (with an optional 5-year renewal fee for 20% of the existing franchise fee). Once an executed agreement is reached, the Company provides various training and onboarding tasks, including furnishing of equipment to be utilized in the business. There are additional add on services that the Company may perform for the franchisee, such as advertising, which would create added billings and separate performance obligations.

2. Summary of Significant Accounting Policies, continued

Revenue Recognition, continued

The Company has determined that certain services it provides in exchange for the franchise fees, which primarily relate to pre-startup support, training, onboarding, and furnishing of the equipment are separate and distinct services from the license of intellectual property. The portion of franchise fees (80%) related to pre-startup support is considered one performance obligation and is recognized when the performance obligation is satisfied, while the license of the intellectual property (20%) is initially recorded as deferred revenue and is recognized as revenue over the term of each respective franchise agreement. Revenues for franchise fees that are being deferred over the term of franchise agreement are recognized on a straight-line basis, which is consistent with the franchisee's right to use and benefit from the intellectual property.

In instances where the timing of revenue recognition differs from the timing of invoicing and/or payment, the contracts generally do not include a significant financing component as the period between when the Company transfers a promised good or service to the customer and when the customer pays for that good or service is one year or less.

The Company collected $1,488,000 and $330,000 in franchise fees during the years ended December 31, 2021 and 2020, respectively, of which is recognized as revenue, net of the franchise contract liabilities (Note 4). The Company acquires the equipment and sells it to the franchisee through a complete compaction truck sale, which is jointly participated in by a third party. The equipment portion of the sale is recognized by the Company upon transfer of control to the franchisee, which occurs upon completion of training on how to operate the truck. Both the Company and the third party truck provider treat the franchisee as the customer. The third party vendor records the truck portion of the sale as the Company is not the primary obligor of the truck portion of the sale. The Company also generates an 8% royalty income based on the franchisee sales.

The Company also generates revenues from its mobile waste compaction service in the Louisville market. These services are recognized as revenue when performed and are billed monthly.

The Company's revenue is primarily recognized at a point in time.

Income Taxes

The Company is taxed as a partnership as defined in the Internal Revenue Code and files income tax returns in the U.S federal jurisdiction and various state and local jurisdictions. Accordingly, no federal taxes are provided in the financial statements since the taxable income is reported by the members on their individual tax returns.

2. Summary of Significant Accounting Policies, continued

Forgivable Loan

On April 17, 2020, the Company received a Paycheck Protection Program loan (PPP loan) under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) in the amount of $48,123. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the PPP loan, subject to limitations, based on the use of loan proceeds for payment of eligible expenses. The Company accounts for the PPP loan as a gain contingency. During the year ended December 31, 2020, the Company recognized income of $48,123, which is included in other income on the statements of operations, related to the expected forgiveness of the PPP loan for incurred or paid eligible expenses.

The loan was forgiven in 2021.

Subsequent Events

Management has evaluated subsequent events for accounting and disclosure requirements through April 21, 2022, the date that the financial statements were available to be issued.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, requiring all leases to be recognized on the Company's balance sheet as a right-of-use asset and a lease liability, unless the lease is a short term lease (generally a lease with a term of twelve months or less). At the commencement date of the lease, the Company will recognize: 1) a lease liability for Company's obligation to make payments under the lease agreement, measured on a discounted basis; and 2) a right-of-use asset that represents the Company's right to use, or control the use of, the specified asset for the lease term. The ASU originally required recognition and measurement of leases at the beginning of the earliest period presented using a modified retrospective transition method. In July 2018, the FASB issued ASU 2018-11, which provided an additional (and optional) transition method that permits application of the updated standard at the adoption date with recognition of a cumulative-effect adjustment to the opening balance of members' equity in the period of adoption. In June 2020, the FASB issued ASU 2020-05, which deferred the effective date of ASU 2016-02. The updated standard will be effective for the Company for the year ending December 31, 2022. The Company is currently evaluating the effect that the new standard will have on its financial statements.

3. Revenue from Franchise Fees

The following are the components that comprise franchise related revenue for the years ended December 31:

	2021	2020
Franchise fee	**$ 841,503**	$ 169,450
Equipment	**2,303,500**	902,000
Royalties	**169,853**	41,887
Marketing	**36,137**	707
Total	**$ 3,350,993**	$ 1,114,044

Except for franchise fee, all revenue components shown above are recognized at a point in time. The composition of franchise fee revenue based on timing of revenue recognition for the years ended December 31:

	2021	2020
Services transferred over time (license fees)	**$ 11,903**	$ 1,450
Services at point in time (preopening services)	**829,600**	168,000
Total revenue	**$ 841,503**	$ 169,450

4. Contract Balances

Receivables and contract balances from contracts with customers were as follows as of December 31:

	2021	2020
U.S. franchisee/licensee receivable	**$ 1,099,053**	$ 156,525
Contract liabilities:		
Deferred franchise fees subject to amortization	**$ 350,475**	$ 69,774
Deferred franchise fees not subject to amortization	**456,800**	90,776
Deferred equipment sales-right to invoice	**124,900**	-
Total contract liabilities	**$ 932,175**	$ 160,550

5. Lines of Credit

The Company has multiple agreements with different financial institutions to provide lines of credit up to $750,000. As of December 31, 2021 and 2020, the Company had outstanding borrowings of $580,965 and $287,712, respectively. Interest is payable at various monthly rates that ranged from 4.0% to 5.25% as of December 31, 2021. The debt is personally guaranteed by certain members of the Company. One line matured in March of 2022 ($200,000) and was not renewed. The remaining $250,000 line of credit matures on July 15, 2022 while the $300,000 line of credit matures on September 21, 2022.

6. Notes Payable

Notes Payable consists of the following as of December 31:

	2021	2020
Notes payable to third parties, interest rate of 12.00%, unsecured; interest accrues quarterly, paid off in 2021.	**$ -**	$ 350,000
Note payable to a related party, interest rate of 5.00%, unsecured. The note was paid-off in January 2022.	**85,000**	85,000
Small Business Administration ("SBA") loan, interest rate of 3.75%, collateralized by all assets; $673 monthly principal and interest payments began May 2021, with the final payment due in May 2050. All payments in 2021 were applied to accrued interest.	**141,000**	141,000
Note payable to third party, interest rate of 6.75%, secured by vehicles; monthly payments of principal and interest of $3,871, with final payment due August 2027.	**215,629**	-
Note payable to third party (see below)	**1,000,000**	-
	1,441,629	576,000
Less: amounts due within one year	**(1,122,422)**	(437,742)
Long-term portion of debt	**$ 319,207**	$ 138,258

6. Notes Payable, continued

On December 15, 2020, the Company entered into a loan agreement with a third party. The agreement provides for loans up to $1,000,000 and expires on December 15, 2022. The minimum principal of each loan will be $100,000 and bear an interest rate of 12.00%. The Company obtained its first loan disbursement in January of 2021, and as of December 31, 2021 has drawn up to its limit of $1,000,000. The Company has the option to pay quarterly interest on 7.00% with 5.00% accruing through maturity. Interest only quarterly payments are due during the term with all unpaid interest and principal due at maturity. A 2.00% no cost warrant was triggered in January 2021 upon the initial draw. The warrant expires on December 15, 2025. Management has assessed the value of the warrant and determined it is not material to the overall financial statements.

Future maturities of debt are as follows for the years ending December 31:

2022	$ 1,122,422
2023	39,701
2024	42,138
2025	44,745
2026	47,533
Thereafter	145,090
	$ 1,441,629

7. Contingencies and Commitments

Management Fees

The Company's operating agreement (as amended) allows for a management fee to the Manager which is based on 5.00% of monthly gross receipts. The Manager is also the controlling member of the Company. Since the inception of the Company, no management fees had been paid or accrued as the Manager waived its rights to such fees. As of and for the year ending December 31, 2021, $179,925 has been accrued and expensed for this fee reflecting 2021 management activity and is recorded in other long term liabilities on the accompanying balance sheets, as management expects this to be paid but not until after December 31, 2022.

Transaction Success Fees

During 2021 the Company entered a franchise referral agreement with a third party that provides for a transaction success fee upon a change in control. The agreement expires in 2024.

Franchise Referral Agreements

During 2021, the Company executed various franchise referral agreements that expire into 2024. The Company incurred commission costs under these agreements in 2021 of approximately $980,000 which were capitalized and will be amortized over the 10-year franchise agreement (see Note 2).

7. Contingencies and Commitments, continued

Cyber Incident

During February 2021, the Company was involved in a cybersecurity attack which resulted in a fraudulent wire transfer from the Company's cash reserves in the amount of approximately $273,000. The Company is a party to an insurance claim which has been filed as of December 31, 2021 for $150,000. As of December 31, 2021, the $150,000 is recorded in other receivables on the accompanying balance sheets. The net loss of $123,000 is recorded in other expense, net in the accompanying statements of operations in 2021. In April 2022, the Company received the insurance proceeds.

8. Capital Contributions

During 2021 and 2020, the Company received $0 and $50,000, respectively, in cash capital contributions. During 2021 and 2020, the Company received services for in exchange for equity. A related party provided legal services to the Company in exchange for a 1.00% membership interest valued at $16,320 in 2021. Additionally in 2021 an accounts payable of $20,680 for legal services in 2020 was converted to a 1.00% membership interest. In 2020, an accounting firm provided services to the Company in exchange for a 2.00% membership interest, valued at $28,600. The Company also received legal services valued at $16,667 for a 1.25% membership interest.

9. Related Party Transactions

The Company had additional related party transactions not previously disclosed.

On August 1, 2020, the Company and two members entered a restricted interests award agreement which transfers a 1.00% interest each year between members for legal services which benefit the Company. The agreement caps at a collective 5.00% interest on August 1, 2025. The mechanics of the transaction require the Company to redeem each 1.00% interest for $1.00 from one member and then issue a 1.00% interest to the other member providing legal services.

The Company paid $4,250 and $3,542 in interest in relation to a related party note payable (see Note 6) during the years ended December 31, 2021 and 2020, respectively.

Nonconsolidated Variable Interest Entity (VIE)

The Company has ownership in and advances to a common controlled related party, Waste Brothers, LLC (Waste Brothers). Waste Brothers is a startup business. The primary beneficiary of a VIE is the party that has the power to direct the activities that most significantly impact the performance of the entity. Additionally, the primary beneficiary has the obligation to absorb losses or the right to receive benefits that could potentially be significant to the entity. The Company does not meet the definition for being the primary beneficiary of Waste Brothers; therefore, Waste Brothers is not consolidated into the Company. At December 31, 2021 and 2020, the Company's advances to Waste Brothers were $167,844 and $80,793, respectively, representing the Company's maximum exposure to loss.

9. Related Party Transactions, continued

The Company also had due to related parties of $132,614 and $67,614 as of December 31, 2021 and 2020, respectively. These amounts are classified in the accompanying balance sheets based on when management expects to recover the advance or pay the obligations.

10. Concentrations

The Company acquires equipment for its operations and for resale to franchises from one foreign manufacturer. The ongoing viability of the Company is predicated on the assumption that the manufacturer will continue to produce the equipment.

Financial Statements

for

SMASH BROTHERS, LLC

Years Ended December 31, 2020 and 2019
with Report of Independent Auditors

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Report of Independent Auditors

Members
Smash Brothers, LLC
Prospect, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of Smash Brothers, LLC, (the Company) which comprise the balance sheets as of December 31, 2020 and 2019 and the related statements of operations, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Smash Brothers, LLC as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, effective January 1, 2020, the Company adopted Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (Topic 606). Our opinion is not modified with respect to this matter.

Dean Dorton Allen Ford, PLLC

Louisville, Kentucky
April 21, 2021

SMASH BROTHERS, LLC

Balance Sheets

December 31, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	**$ 171,970**	$ 28,209
Accounts receivable	**156,525**	63,343
Prepaid expenses	**27,954**	13,989
Deferred commissions	**3,300**	-
Deposit on equipment for resale	**30,380**	14,307
Inventory	**517,107**	-
Total current assets	**907,236**	119,848
Property and equipment, net	**148,891**	174,247
Other assets:		
Intangible asset, net	**79,444**	135,000
Advances to related parties	**80,793**	69,049
Deferred commissions, net of current portion	**28,325**	-
Investment in partnership - at cost	**12,500**	-
Total assets	**$ 1,257,189**	$ 498,144

Liabilities and Members' Equity	2020	2019
Current liabilities:		
Accounts payable	**$ 119,964**	$ 173,618
Accrued expenses	**29,273**	1,239
Due to related party	**67,614**	-
Line of credit	**287,712**	209,122
Notes payable, current portion	**437,742**	45,530
Deferred revenue, current portion	**102,450**	-
Total current liabilities	**1,044,755**	429,509
Long-term liabilities:		
Notes payable, net of current portion	**138,258**	-
Deferred revenue, net of current portion	**58,100**	-
Total liabilities	**1,241,113**	429,509
Members' equity	**16,076**	68,635
Total liabilities and members' equity	**$ 1,257,189**	$ 498,144

See accompanying notes to the financial statements.

SMASH BROTHERS, LLC

Statements of Operations

Years ended December 31, 2020 and 2019

	2020	2019
Revenues:		
Services	**$ 319,597**	$ 305,963
Franchise related	**1,114,044**	48,667
Total revenues	**1,433,641**	354,630
Expenses:		
Cost of equipment sold	**803,576**	-
Cost of services sold (exclusive of depreciation noted below)	**144,978**	148,718
Administrative and general	**487,097**	508,657
Loss on sale of equipment	**-**	58,956
Depreciation	**28,528**	26,431
Amortization	**55,556**	55,556
Total expenses	**1,519,735**	798,318
Operating loss	**(86,094)**	(443,688)
Other income (expense):		
PPP loan income	**48,123**	-
Interest expense	**(43,188)**	(17,191)
Total other income (expense)	**4,935**	(17,191)
Net loss	**$ (81,159)**	$ (460,879)

See accompanying notes to the financial statements.

SMASH BROTHERS, LLC

Statements of Changes in Members' Equity

Years ended December 31, 2020 and 2019

December 31, 2018	$ 481,514
Net loss	(460,879)
Contributions	73,000
Distributions paid	(25,000)
December 31, 2019	68,635
Net loss	**(81,159)**
Contributions	**95,267**
Purchase of membership units	**(66,667)**
December 31, 2020	**$ 16,076**

See accompanying notes to the financial statements.

SMASH BROTHERS, LLC

Statements of Cash Flows

Years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Net loss	**$ (81,159)**	$ (460,879)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	**4,246**	3,355
Depreciation	**28,528**	26,431
Amortization	**55,556**	55,556
PPP loan income	**(48,123)**	-
Services rendered for membership interest	**45,267**	-
Loss on sale of property, plant and equipment	**-**	58,956
Loss from removal of related party vehicle and associated debt	**-**	5,624
Increase (decrease) in cash due to changes in:		
Accounts receivable	**(97,428)**	9,524
Prepaid expenses	**(13,965)**	(256)
Equipment deposits	**(16,073)**	(14,307)
Inventory	**(517,107)**	-
Deferred commissions	**(31,625)**	-
Accounts payable	**(53,654)**	81,599
Accrued expenses	**28,034**	(8,172)
Due to related parties	**67,614**	-
Deferred revenue	**160,550**	-
Net cash used in operating activities	**(469,339)**	(242,569)
Cash flows from investing activities:		
Investment in partnership	**(12,500)**	-
Purchase of property, plant and equipment	**(3,172)**	-
Proceeds from sale of equipment	**-**	120,000
Net cash (used in) provided by investing activities	**(15,672)**	120,000

SMASH BROTHERS, LLC

Statements of Cash Flows, continued

Years ended December 31, 2020 and 2019

	2020	2019
Cash flows from financing activities:		
Borrowings on revolving credit agreement	**141,634**	-
Proceeds from notes payable	**491,000**	-
Proceeds from note payable - related party	**85,000**	-
Proceeds from PPP loan	**48,123**	-
Payments on revolving credit agreement	**(63,044)**	(24)
Principal payments on notes payable	**(45,530)**	(43,065)
Contributions	**50,000**	73,000
Purchase of membership units	**(66,667)**	-
Advances to related parties	**(11,744)**	(9,049)
Net cash provided by financing activities	**628,772**	20,862
Net increase (decrease) in cash and cash equivalents	**143,761**	(101,707)
Cash and cash equivalents, beginning of year	**28,209**	129,916
Cash and cash equivalents, end of year	**171,970**	28,209
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	**$ 30,452**	$ 17,191
Noncash financing transactions:		
Distribution to members	**-**	25,000

See accompanying notes to the financial statements.

SMASH BROTHERS, LLC

Notes to the Financial Statements

1. Description of the Organization

Smash Brothers, LLC (the Company) does business under the name "Crushr" and is engaged in the waste disposal industry. Its mobile waste compaction service is provided to users of open-top ("roll-off") dumpsters in order to reduce wasted space within a dumpster, thus reducing the frequency that a dumpster requires emptying. The Company operates in the Louisville, Kentucky area, but its franchise rights extend to the entire United States of America.

COVID-19 Impact

During March 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak to be a pandemic. COVID-19 continues to impact worldwide economic activity and financial markets. The continued spread of the disease represents a significant risk that the Company's operations could be disrupted in the near future. Since the situation surrounding the COVID-19 pandemic remains fluid, the long-term duration, nature and extent of the effects on the Company cannot be reasonably estimated at this time.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) which require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity, at time of purchase, of three months or less to be cash equivalents.

The Company maintains cash balances in financial institutions that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Accounts Receivable

The Company's management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. If amounts become uncollectible, they will be charged to operations when that determination is made. If amounts previously written off are collected, they will be credited to income when received.

Deposit on Equipment for Resale

Each operator license includes delivery of one mobile pulverizing unit. The Company seeks to sublicense each operator license to a franchisee, as well as to transfer title of one mobile pulverizing unit. As of December 31, 2020, the Company has a commitment in place to acquire equipment for resale of approximately $304,000 in 2021.

2. Summary of Significant Accounting Policies, continued

Inventory

Inventory consists of equipment purchased to be used as part of the final pulverizing unit. Inventory is recorded at lower of cost or net realizable value. The flow of inventory is on a first-in, first-out basis. If items become obsolete, or otherwise unusable, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the assets. The cost of equipment and vehicles as of December 31, 2020 and 2019 were $250,275 and $247,103, respectively. The associated accumulated depreciation was $101,384 and $72,856, respectively. The Company uses a 10-year estimated life to depreciate its fixed assets.

Depreciation expense during the years ended December 31, 2020 and 2019 was $28,528 and $26,431, respectively.

In 2019, due to ongoing litigation (see Note 5), the Company was unable to purchase additional equipment from the manufacturer. In January 2019, the Company sold one of its existing corporate market units to a new franchisee for $120,000 and recorded a loss of $58,956 on the disposal.

Intangible Asset

The Company owned a territory license granted by Smash-It, LLC which established an assumed protected market area in which only the Company could operate and re-license to franchisees. The Company paid $250,000 for this license in 2017 which related to an initial five year period, with 9 optional renewal periods for a maximum life of 50 years.

In 2018, the Company adjusted the useful life of the intangible due to the settlement reached in August of 2019 (see Note 5) in 2018 from 50 years to 5 years. The ability to license the patent was part of the original license agreement and remains in place per the settlement agreement. Amortization expense was $55,556 for both of the years ended December 31, 2020 and 2019. As of December 31, 2020 and 2019, the Company has accumulated amortization of $170,556 and $115,000, respectively.

Future amortization expense is as follows for the years ending December 31:

2021	$ 55,556
2022	23,888
	$ 79,444

2. Summary of Significant Accounting Policies, continued

Deferred Commission Costs

The incremental direct costs of obtaining a franchise contract, which consist of sales commissions, are deferred and amortized over the estimated life of the customer relationship. Due to the early state of the Company's existence, management is using the initial 10 year franchise agreement to estimate the life of the customer relationship. Deferred commission costs are classified as current or noncurrent based on the timing of when the Company expects to recognize the expense. At December 31, 2020, the Company had $33,000 of deferred commission costs with $3,300 included in current assets and $28,325 included in long-term assets, net of current year amortization expense and accumulated amortization of $1,375. The amortization expense related to deferred commission costs is reflected in administrative and general expenses in the accompanying statements of operations.

Advertising

Advertising costs are expensed as incurred. For the years ended December 31, 2020 and 2019, advertising expenses were $33,690 and $10,600, respectively.

Adoption of New Accounting Standard

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The core principle of ASU 2014-09 is to recognize revenues when a customer obtains control of a good or service, in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. In August 2015, the FASB issued ASU 2015-14, which deferred the effective date of ASU 2014-09 by one year.

Effective January 1, 2020, the Company adopted the requirements of ASU 2014-09 and all related amendments (the new revenue standard) to all contracts using the modified retrospective method. Prior to the adoption of the new revenue standard, the initial revenue recorded by the Company for licensing and services sold excluded any amounts that were contingent on the delivery of future services. In accordance with the new revenue standard (inclusive of the practical expedient discussed below), the total consideration in the contract is now allocated 20% to the licensing agreement based on renewal terms and 80% to preopening services which management believes is a reasonable estimate of the fair value of those services.

In January 2021, the FASB issued ASU 2021-02, *Franchisors – Revenue from Contracts with Customers* (Subtopic 952-606) Practical Expedient, simplifying the application of the guidance for identifying performance obligations. The core principle of ASU 2021-02 is to reduce the cost and complexity of applying Topic 606 to preopening services by providing a practical expedient for franchisors that are not public business entities.

2. Summary of Significant Accounting Policies, continued

Adoption of New Accounting Standard, continued

Effective January 1, 2020, the Company adopted the requirements of ASU 2021-02 and all related amendments (the practical expedient) to all initial franchise fees. Prior to the adoption of the practical expedient, the franchisor recognized preopening services upon franchise agreement execution. In accordance with the practical expedient, non-public franchisors are entitled to account for preopening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. In addition, the practical expedient provides an accounting policy election to recognize the preopening services as a single performance obligation. As a result of adopting the practical expedient, there was no material impact to the financial statements and no adjustment to the opening balance of members' equity was necessary. The comparative financial information has not been restated and continues to be reported under the accounting standards required by Topic 605.

The modified retrospective method of transition requires the Company to disclose the effect of applying the new guidance on each item included in the Company's financial statements as of and for the year ended December 31, 2020.

The following are the line items from the Company's December 31, 2020 financial statements that were affected:

	As reported	Balances without adoption of Topic 606	Effect of Change
Balance Sheets:			
Deferred commissions	$ 31,625	$ -	$ 31,625
Deferred revenue	160,550	-	160,550
Members' equity	16,076	145,001	(128,925)
Statements of Operations:			
Revenue - franchise related	$ 1,114,044	$ 1,274,594	$ (160,550)
Administrative and general	487,097	518,722	(31,625)
Net income (loss)	(81,159)	47,766	(128,925)

As a result of the adoption of Topic 606, franchise fees collected prior to completion of preopening services are recorded as deferred revenue and recognized as revenue upon completion of all services. Also, the amount of fees allocated to the licensing agreement are amortized to revenue over the life of the agreement. Additionally, commissions are capitalized and amortized over the estimated customer relationship.

2. Summary of Significant Accounting Policies, continued

Revenue Recognition

The Company engages in selling franchise agreements. The franchise agreement requires the franchisee to pay an initial, non-refundable, 10-year franchise fee (with an optional 5-year renewal fee for 20% of the existing franchise fee). Once an executed agreement is reached, the Company provides various training and onboarding tasks, including furnishing of equipment to be utilized in the business. There are additional add on services that the Company may perform for the franchisee, such as advertising, which would create added billings and separate obligations.

The Company has determined that certain services it provides in exchange for the franchise fees, which primarily relate to pre-startup support, training, onboarding, and furnishing of the equipment are separate and distinct services from the license of intellectual property. The portion of franchise fees (80%) related to pre-startup support is considered one performance obligation and is recognized when the performance obligation is satisfied, while the license of the intellectual property (20%) associated is file initially recorded as deferred revenue and is recognized as revenue over the term of each respective franchise agreement. Revenues for franchise fees that are being deferred over the term of franchise agreement are recognized on a straight-line basis, which is consistent with the franchisee's right to use and benefit from the intellectual property. As of December 31, 2020 and 2019, the Company had contract liabilities (deferred revenue) of $160,550 and $0, respectively.

In instances where the timing of revenue recognition differs from the timing of invoicing and/or payment, the contracts generally do not include a significant financing component as the period between when the Company transfers a promised good or service to the customer and when the customer pays for that good or service is one year or less.

The Company collected $330,000 and $30,000 in franchise fees during the years ended December 31, 2020 and 2019, respectively, of which is recognized as revenue, net of the contract liabilities mentioned above. The Company acquires the equipment and sells it to the franchisee through a complete compaction truck sale, which is jointly participated in by a third party. The equipment portion of the sale is recognized by the Company upon transfer of control to the franchisee, which occurs upon receipt of the complete compaction truck unit by the franchisee. Both the Company and the third party truck provider treat the franchisee as the customer. The third party vendor records the truck portion of the sale as the Company is not the primary obligor of the truck portion of the sale. The Company will also generate 8% royalty income based on the franchisee sales.

The Company also generates revenues from its mobile waste compaction service in the Louisville market. These services are recognized as revenue when performed and are billed monthly.

The Company's revenue is primarily recognized at a point in time.

2. Summary of Significant Accounting Policies, continued

Income Taxes

The Company is taxed as a partnership as defined in the Internal Revenue Code and files income tax returns in the U.S federal jurisdiction and various state and local jurisdictions. Accordingly, no federal taxes are provided in the financial statements since the taxable income is reported by the members on their individual tax returns.

Forgivable Loan

As described in Note 10, the Company received a Paycheck Protection Program loan (PPP loan) under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) in the amount of $48,123. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the PPP loan, subject to limitations, based on the use of loan proceeds for payment of eligible expenses. The Company accounts for the PPP loan as a gain contingency.

Amounts of the PPP loan expected to be forgiven are recognized as a gain when the Company determines that it has met the conditions necessary for forgiveness. During the year ended December 31, 2020, the Company recognized income of $48,123, which is included in other income on the statements of operations, related to the expected forgiveness of the PPP loan for incurred or paid eligible expenses.

Subsequent Events

Management has evaluated subsequent events for accounting and disclosure requirements through April 21, 2021, the date that the financial statements were available to be issued.

Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 presentation with no impact on total assets, liabilities, members' equity or net loss.

2. Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, requiring all leases to be recognized on the Company's balance sheet as a right-of-use asset and a lease liability, unless the lease is a short term lease (generally a lease with a term of twelve months or less). At the commencement date of the lease, the Company will recognize: 1) a lease liability for Company's obligation to make payments under the lease agreement, measured on a discounted basis; and 2) a right-of-use asset that represents the Company's right to use, or control the use of, the specified asset for the lease term. The ASU originally required recognition and measurement of leases at the beginning of the earliest period presented using a modified retrospective transition method. In July 2018, the FASB issued ASU 2018-11, which provided an additional (and optional) transition method that permits application of the updated standard at the adoption date with recognition of a cumulative-effect adjustment to the opening balance of members' equity in the period of adoption. In June 2020, the FASB issued ASU 2020-05, which deferred the effective date of ASU 2016-02. The updated standard will be effective for the Company for the year ending December 31, 2022, with early adoption permitted. The Company is currently evaluating the effect that the new standard will have on its financial statements.

3. Revenue from Franchise Fees

The following are the components that comprise franchise related revenue for the year ended December 31, 2020:

Franchise fee	$ 169,450
Equipment	902,000
Royalties	41,887
Marketing	707
Total	$ 1,114,044

The composition of franchise fee revenue based on timing of revenue recognition for the year ended December 31, 2020, is as follows:

Services transferred over time (license fees)	**$ 1,450**
Services at point in time (preopening services)	**168,000**
Total revenue	**$ 169,450**

4. Revolving Credit Agreement

The Company has an agreement with a financial institution to provide a line of credit up to $400,000. As of December 31, 2020 and 2019, the Company had outstanding borrowings of $287,712 and $209,122, respectively. Interest is payable monthly at a rate of prime plus 1.00%. The interest rate was 4.25% and 5.75% as of December 31, 2020 and 2019, respectively. The debt is personally guaranteed by certain members of the Company and matures in September 2021.

5. Notes Payable

Notes Payable consists of the following as of December 31, 2020 and 2019:

	2020	2019
Note payable to bank, interest rate of 5.60% with the final payment paid in December 2020.	**$ -**	$ 45,530
Note payable to third party, interest rate of 12.00%, unsecured;interest accrues quarterly, with principal and interest due in full on November 15, 2021.	**200,000**	-
Note payable to third party, interest rate of 12.00%, unsecured; Interest accrues quarterly, with principal and interest due in full on May 15, 2021.	**100,000**	-
Note payable to third party, interest rate of 12.00%, unsecured; interest accrues quarterly, with principal and interest due in full on November 15, 2021.	**50,000**	-
Note payable to a related party, interest rate of 5.00%, unsecured; monthly payments of principal and interest of $354, with the final payment due in May 2021.	**85,000**	-
Small Business Administration ("SBA") loan, interest rate of 3.75%, collateralized by all assets; monthly payments of principal and interest of $673, with the final payment due in May 2050.	**141,000**	-
	576,000	45,530
Less: amounts due within one year	**(437,742)**	(45,530)
Long-term portion of debt	**$ 138,258**	$ -

5. Long-term Debt, continued

Future maturities of debt are as follows for the years ending December 31:

2021	$ 437,742
2022	4,700
2023	4,700
2024	4,700
2025	4,700
Thereafter	119,458
	$ 576,000

On December 15, 2020, the Company entered into a loan agreement with a third party. The agreement provides for loans up to $1,000,000 and expires on December 15, 2022. The minimum principal of each loan will be $100,000 and bear an interest rate of 12.00%. The Company has the option to pay quarterly interest on 7.00% with 5.00% accruing through maturity. Interest only quarterly payments are due during the term with all unpaid interest and principal due at maturity. Once an initial loan is provided, a 2.00% no cost warrant will be triggered which expires on December 15, 2025.

6. Contingencies and Commitments

Legal Matters

The Company was involved in a lengthy litigation with the compaction equipment licensor, Smash-It, LLC, surrounding an assumed exclusivity that the Company contended was granted through execution of its agreement with Smash-It, LLC. A settlement was reached on August 22, 2019. The results of the settlement enable the Company to continue to operate with the patent with no remaining contractual obligations with Smash-It, LLC.

Total legal fees were $109,142 and $266,296 (included in "Administrative and general" in the accompanying statements of operations) for the years ended December 31, 2020 and 2019, respectively.

6. Contingencies and Commitments, continued

Management Fees

The Company's operating agreement (as amended) allows for a management fee to the Manager which is based on 5.00% of monthly gross receipts. The Manager is also the controlling member of the Company. Since the inception of the Company, no management fees have been paid. The accompanying balance sheets do not reflect a management fee accrual at December 31, 2020 or 2019, based on the Manager's representation that it will not require payment for past due management fees through December 31, 2020. It is possible in future periods, management fees will be due for services rendered during those years.

7. Capital Contributions

During 2020 and 2019, the Company received $50,000 and $73,000, respectively, in cash capital contributions.

During 2020, the Company also received contributed services. An accounting firm provided services to the Company in exchange for a 2.00% membership interest, valued at $28,600. The Company also received legal services valued at $16,667 for a 1.25% membership interest.

8. Related Party Transactions

The Company had additional related party transactions not previously disclosed.

On August 1, 2020, the Company and two members entered a restricted interests award agreement which in essence transfers a 1.00% interest each year between members for legal services which benefit the Company. The agreement caps at a collective 5.00% interest on August 1, 2025. The mechanics of the transaction require the Company to redeem each 1.00% interest for $1.00 from one member and then issue a 1.00% interest to the other member providing legal services. Since the Company is not providing new units to satisfy this obligation, there is no required accounting. The agreement specifically says the Company has no obligation for the legal services performed other than facilitating the transfer of interest between the members. The arrangement will cause the amount of professional services expenses to be substantially less compared to the normal historical use of outside counsel.

During 2019, the Company identified that it had improperly recorded a vehicle and an associated debt that belonged to a member and an officer of the Company. The removal of the vehicle and debt in 2019 created a net correcting expense of $5,624 which is included in administrative and general on the accompanying statements of operations. Additionally, the recurring expense for this vehicle arrangement is $7,896 per year through May 1, 2022.

The Company paid $3,542 in interest in relation to a related party note payable (see Note 4) during the year ended December 31, 2020.

8. Related Party Transactions, continued

Nonconsolidated Variable Interest Entity (VIE)

The Company has ownership in and advances to a common controlled related party, Waste Brothers, LLC (Waste Brothers). Waste Brothers is a startup business. The primary beneficiary of a VIE is the party that has the power to direct the activities that most significantly impact the performance of the entity. Additionally, it has the obligation to absorb losses or the right to receive benefits that could potentially be significant to the entity. The Company does not meet the definition for being the primary beneficiary of Waste Brothers; therefore, Waste Brothers is not consolidated into the Company. At December 31, 2020 and 2019, the Company's advances to Waste Brothers were $80,793 and $69,049, respectively, representing the Company's maximum exposure to loss.

The Company also had due to related parties of $67,614 and $0 as of December 31, 2020 or 2019, respectively. These amounts are classified in the accompanying balance sheets based on when management expected to recover the advance or pay the obligations.

9. Concentrations

Vendors

The Company acquires equipment for its operations and for resale to franchises from one foreign manufacturer. The ongoing viability of the Company is predicated on the assumption that the manufacturer will continue to produce the equipment.

Customers

Revenue from the sale of franchises, equipment, and the related royalty income totaled $1,114,044 and $48,667 in for the year ended December 31, 2020 and 2019, respectively. This constitutes 78% and 14% of total revenue for each respective fiscal year.

During 2020 and 2019, the Company had one service customer that made up 16% and 4% of overall sales.

10. Paycheck Protection Program Loan

On March 27, 2020, President Trump signed into law the CARES Act, which, among other things, outlines the provisions of the PPP. In addition, President Trump signed into law the Paycheck Protection Program and Health Care Enhancement Act on April 24, 2020, which increased funding provided by the CARES Act. Terms and conditions associated with the PPP have been subsequently revised by the Paycheck Protection Program Flexibility Act of 2020, the Consolidated Appropriations Act of 2021, and the American Reserve Plan Act of 2021, which were enacted on June 5, 2020, December 27, 2020, and March 11, 2021, respectively.

10. Paycheck Protection Program Loan, continued

On April 17, 2020, the Company received a PPP loan from Chase Bank, Inc. in the amount of $48,123. The PPP loan matures on April 17, 2022 and bears interest at a rate of 1.00% per annum. Monthly principal and interest payments are deferred until the date on which the SBA remits the amount of forgiveness to Chase Bank, Inc. or 10 months subsequent to the end of the PPP loan forgiveness covered period, whichever is earlier. The interest accrued during the deferral period, that is not forgiven, becomes due and payable throughout the remainder of the loan term once notified by Chase Bank, Inc. subsequent to the date when forgiveness of the PPP loan was determined. Any remaining principal balance that is not forgiven is payable in monthly installments in accordance with the terms of the Note. The PPP loan may be prepaid at any time prior to maturity with no prepayment penalty.

Under the provisions of the CARES Act, the Company has submitted a PPP loan forgiveness application seeking full forgiveness. While the Company believes it is likely that the required forgiveness criteria has been achieved, no assurance can be provided that the Company will obtain full or partial forgiveness of the PPP loan.

11. Subsequent Events

Financing Activity

On January 13, 2021, the Company received an initial term loan of $500,000 and issued a 2.00% warrant (See Note 5). The loan is personally guaranteed by certain members. The Company plans to use the funds to purchase equipment for sale to franchisees. The loan agreement is secured by the underlying equipment purchased.

On March 5, 2021, the Company entered into a debt agreement for $250,000 with a third party to fund equipment purchases for resale. The note bears an interest rate of prime rate plus 1.00% with a 4.00% floor and is due on March 5, 2022. The note is secured by the underlying equipment purchased.

Cyber Incident

During February 2021, the Company was involved in a cybersecurity attack which resulted in a fraudulent wire transfer from the Company's cash reserves in the amount of approximately $273,000. The Company has filed a cyber insurance claim which is currently in process; while the Company intends to seek reimbursement for the full amount of the loss, there can be no guarantee that any portion of the funds will be recovered.

EXHIBIT B - FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

between

SMASH BROTHERS, LLC
d/b/a Crushr®
and

_____

SMASH BROTHERS, LLC
FRANCHISE AGREEMENT

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Exhibits

A	Franchisee Information and Protected Territory
B	Personal Guaranty
C	Form of General Release

FRANCHISEE ACKNOWLEDGES THAT BEFORE ENTERING INTO THIS FRANCHISE AGREEMENT FRANCHISEE HAS RECEIVED, READ, AND UNDERSTANDS FRANCHISOR'S CURRENT FRANCHISE DISCLOSURE DOCUMENT ("FDD"), AND HAS HAD THE OPPORTUNITY TO DISCUSS IT WITH FRANCHISEE'S ATTORNEY.

Signature: _____

Print Name: _____

Title: _____

1. PARTIES AND RECITALS

1.1. This Franchise Agreement ("Agreement") is made and entered into as of the date set forth on Exhibit A to this Agreement (the "Effective Date") (Exhibit A and all exhibits and schedules attached to this Agreement are hereby incorporated by this reference) by and between Smash Brothers, LLC, a Kentucky limited liability company, with an address of Kash Building, 13011 West U.S. Highway 42, Suite 206, Prospect, Kentucky 40059 ("Franchisor"), and the person or entity identified on Exhibit A as the franchisee ("Franchisee") with its principal place of business as set forth on Exhibit A. "We", "us" and "our" refers to Franchisor. "You and "your" refers to Franchisee.

1.2. Franchisor owns the limited exclusive right to develop, operate, and grant franchises for the operation of the CRUSHR® system of mobile commercial on-site trash compacting services businesses (each, a "Crushr Business") under the trade name CRUSHR® (referred to herein as the "Crushr System" or the "System"), utilizing a proprietary mobile trash pulverizer unit (the "Mobile Pulverizer") installed on a vehicle approved by us (the "Installed Vehicle"). Franchisor may, from time to time, add to, amend, modify, delete or enhance any portion of the System as Franchisor may determine to enhance the reputation, efficiency, competitiveness and/or quality of the System, or to adapt it to new conditions, materials or technology, or to better serve the public. Franchisee, at its expense, will fully comply with all such conditions and modifications.

1.3. The System incorporates proprietary standards, specifications, and methods of operation ("System Standards"), including those set forth in the Operations Manual, which are more fully defined in Article 9 below.

1.4. Franchisor desires to grant traditional franchises, whereby the Franchisee will provide mobile trash compacting services to customers within the geographic area stated on Exhibit A to this Agreement ("the "Protected Territory").

1.5. Franchisee has independently investigated the business risks involved in purchasing a Crushr Business and other matters as Franchisee deems important, including current and potential market conditions and competitive factors and risks. Franchisee has had the opportunity to read Franchisor's Franchise Disclosure Document ("FDD") provided to Franchisee and has not relied on any representations not stated in this Agreement or in the FDD. Aware of the relevant facts, Franchisee desires to enter into this Agreement to obtain a license to use the System

and the Licensed Marks (as defined below) to operate a franchised business (the "Franchised Business") within the Protected Territory.

1.6. The location or facility at which the Installed Vehicle may be stored or from which it may be dispatched by Franchisee is referred to in this Agreement as the "Premises." Franchisee shall provide written notice of the proposed storage site (the "Proposed Site") for the Installed Vehicle to Franchisor and, within ten (10) days thereafter, Franchisor will provide written notice to Franchisee if the Proposed Site is acceptable to Franchisor. Franchisor shall have the right but not the obligation to inspect in person the Proposed Site. Franchisee is solely responsible for selecting the Proposed Site. If Franchisor approves the Proposed Site, the Proposed Site will be designated as the Premises. If Franchisor does not approve the Proposed Site, Franchisee must select an alternative Proposed Site and submit it to the Franchisor for review and approval as provided above. Franchisor has the right to approve or disapprove the Proposed Site based on such factors as it deems appropriate. The foregoing process shall be repeated each time Franchisee desires to change the Premises for the Installed Vehicle.

2. SMASH-IT PATENT AND SETTLEMENT AGREEMENT

2.1. Franchisor's right to develop, operate, and grant franchises using the Mobile Pulverizer is granted pursuant to a Confidential Settlement Agreement and Release dated August 22, 2019 (the "Settlement Agreement") with Smash-It, LLC ("Smash-It"). Franchisee hereby acknowledges that Smash-It retains certain rights pursuant to the Settlement Agreement, including (i) the right to purchase, import, use and sell Mobile Pulverizers through Smash-It-owned outlets, which may be established anywhere in the United States; and (ii) operate Mobile Pulverizer outlets independently from the System (the "Smash-It-Retained Rights"). Franchisee further acknowledges that the Smash-It- Retained Rights could negatively impact the performance of the Franchised Business, and may create competition for mobile trash compacting services, including in the Franchisee's Protected Territory.

2.2. The Settlement Agreement permits Franchisor to utilize the patent for the Mobile Pulverizer (the "Patent") for the life of the Patent. We have been advised that we and our franchisees will have a perpetual right to continue to own and operate the Mobile Pulverizers upon expiration of the Patent.

3. GRANT OF FRANCHISE

3.1. Subject to all of the terms and conditions of this Agreement, Franchisor grants to Franchisee the right to operate the Franchised Business within the Protected Territory utilizing one (1), and no more than one (1), Installed Vehicle in accordance with the terms and conditions of this Agreement, the System Standards, the Operations Manual, the Settlement Agreement permitting use of the Patent, and the License Agreement, by and between Franchisor and Crushr IP, LLC, a Delaware limited liability company ("Licensor") granting Franchisor the right to use, market and license the Licensed Marks (as defined herein), and grant the use of the Licensed Marks to franchisees of Franchisor, including Franchisee (the "License Agreement"). We may, in our sole discretion, permit Franchisee to operate additional Installed Vehicles in the Protected Territory but we are under no obligation to do so.

3.2. Franchisee shall operate its Franchised Business solely within the "Protected Territory" as defined on Exhibit A. Franchisee acknowledges and agrees that the Protected Territory may differ in size or orientation from other protected territories that have been granted to other System franchisees, or may be granted to other System franchisees from time to time in the future. Franchisee further acknowledges and understands that this Agreement requires and allows the Franchisee to license one (1) Mobile Pulverizer installed in a vehicle approved by Franchisor to operate a Franchised Business solely within the Protected Territory.

3.3. "Protected" for purposes of this Article 3 means that during the Term (as defined below), except as otherwise provided in this Agreement, and provided that Franchisee has fully complied with the terms and conditions of this Agreement, Franchisor shall not operate, or grant to another person or business entity a franchise to operate, another Franchised Business that uses the Licensed Marks in the Protected Territory and will not permit another person or business entity to service customers located in the Protected Territory as a Franchised Business that uses the Licensed Marks. For avoidance of doubt, nothing herein shall require Franchisor or any affiliate of Franchisor to cease operation of any business operating in the Protected Territory under any trade name, trademark or service mark other than the Licensed Marks, whether operating at the time of this Agreement or subsequently acquired.

3.4. Notwithstanding the foregoing, Franchisee acknowledges that Smash-It retains certain rights, including the right to purchase, import, use and sell Mobile Pulverizers through Smash-It- owned outlets, which may be established anywhere in the United States including in the Protected Territory. Franchisor makes no representation or warranty that Franchisee's Protected Territory will not be subject to competition or infringement by a Smash-It-owned outlet.

3.5. Franchisor reserves all rights not specifically granted to Franchisee under this Agreement. The rights reserved to Franchisor include, without limitation, the right of Franchisor or its affiliates, (1) to solicit customers, advertise and promote sales of the System anywhere, including within the Protected Territory; (2) to offer and sell (or authorize others to offer and sell) anywhere, including within the Protected Territory, products and services (regardless of similarity to services sold in the Franchised Business) under any names and marks other than the Licensed Marks; (3) to establish and operate, and grant to others the right to establish and operate, a Crushr Business anywhere outside of the Protected Territory, regardless of proximity to the Protected Territory or the Franchised Business; (4) to purchase, merge, acquire (or be acquired by), affiliate with, or engage in any transaction with other businesses (whether competitive or not) having one or more locations, wherever located, including, but not limited to, transactions or arrangements involving competitive outlets and/or brand conversions (to or from the Crushr System and brand); (5) to distribute or license the manufacture or distribution of goods and products, regardless of whether or not such products are authorized for offer and sale through the Franchised Business, under the Licensed Marks or other marks held by Franchisor, through any means of distribution not otherwise prohibited hereby; (6) to develop, operate and franchise similar or dissimilar systems, under trademarks, service marks and commercial symbols other than the Licensed Marks, without offering them to Franchisee; and (7) to engage in any other activity, action or undertaking that is not expressly prohibited under this Agreement.

3.6. National or Regional Accounts ("National Accounts")

3.6.1. We have the exclusive right to negotiate and enter into agreements or approve forms of agreement to provide services to "National Account Customers". The term National Account Customer includes any customer which on its own behalf or through agents, licensees, or other third parties owns, manages, controls or otherwise has responsibility for a business in more than one (1) location, for the benefit of the System, and regardless of the aggregate contract amount of the services to be performed. Any dispute as to whether a particular customer is a National Account Customer shall be determined by us in our sole discretion and our determination shall be final and binding. Following the execution of a contract with or the acceptance of a bid by a National Account Customer which contemplates the provision of services to one (1) or more National Account Customers who are located in your Territory, we may, if you are qualified to perform the services and conditioned upon your substantial compliance with the terms of the Franchise Agreement and any other applicable agreements, provide you the opportunity to perform such services pursuant to the terms and conditions of the National Account contract or on such terms and conditions as we, at our sole discretion, determine are appropriate. You agree to provide services to all National Account Customer referrals within your Territory. You further agree to provide all services in strict adherence to our performance and process standards and all service guidelines and performance standards of the National Account Customer. You may be required to enter into a service agreement to participate in certain National Account Customer programs.

3.6.2. If you are not able or not willing to provide services to a National Account Customer in conformity with the terms and conditions of the National Account contract, or fail to make an election within the time we specify after being offered the opportunity, we have the right, exercisable in our sole discretion, to (i) provide, directly or through any affiliate or other franchisee or franchisor operated location, services to the National Account Customer; and/or (ii) contract with another party to provide such services to the National Account Customer. In either event, neither you nor the Crushr Business shall be entitled to any proceeds from the provision of services provided to the customer of a National Account Customer.

3.6.3. We may manage or provide support services to national and/or regional accounts that require centralized our franchise system, managing those relationships, answering calls placed to our toll-free number or a national account on-line access system. In that case, we may charge you a National Accounts Fee (the "National Account Fee") of up to three percent (3%) of Gross Sales generated by the account. The purpose of this fee is to defray the cost of providing national/regional account management services to the franchise system. We do not plan to charge a fee for simple referrals where we do not directly manage the relationship with the customer, but we reserve the right to do so.

3.6.4. Although we are not required to do so, we reserve the right to manage any project or enterprise undertaken jointly by two or more Crushr Businesses and to limit your or prohibit your negotiating directly with other Crushr Businesses on these jobs. You may solicit help from contractors and/or hire temporary staff for the purpose of completing a specific job, with our prior permission, however at no time shall your work force entirely consist of temporary or subcontracted labor. You may not service a customer if doing so is beyond your current equipment capabilities, or if it would otherwise disrupt the normal servicing of other existing customers.

4. TERM AND RENEWAL

4.1. This Agreement, unless sooner terminated pursuant to Article 14, shall extend for ten (10) years from the Effective Date (the "Initial Term").

4.2. If Franchisee is not in default under this Agreement, and if Franchisee has the right to continue to occupy the Premises, Franchisee may renew this Agreement (a "Renewal") for two (2) additional terms of five (5) years each (each a "Renewal Term"). Franchisee shall exercise its option to renew the Initial Term of this Agreement for a Renewal Term by providing written notice thereof to Franchisor not less than six (6) and not more than twelve (12) months prior to the expiration of the Initial Term or the then current Renewal Term; otherwise the renewal option shall expire automatically (the Initial Term and each Renewal Term is referred to herein as the "Term"). At least thirty (30) days prior to the start of a Renewal Term, Franchisee shall pay to Franchisor a renewal fee in an amount equal to twenty percent (20%) of the then-current initial franchise fee charged by Franchisor to similarly situated franchisees executing new franchise agreements. Each Renewal will be in accordance with Franchisor's then-current terms and conditions for granting renewal franchises, which may include: (i) execution of a new and modified franchise agreement with different performance standards, fee structures and/or increased fees; (ii) execution of a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its parent, subsidiaries or affiliates (if applicable) and their officers, directors, attorneys, shareholders and employees; and (iii) a requirement that Franchisee upgrade or refurbish the Mobile Pulverizer to conform to Franchisor's then-current standards.

5. OPERATING ASSISTANCE

5.1. Franchisee shall store the Installed Vehicle only at the Premises. Franchisee may not change the location of the Premises without Franchisor's prior written approval. A Franchisee may only operate the Franchised Business within the Protected Territory, except in Open Territories as provided in Section 5.1.1.

5.1.1. Franchisee may, with Franchisor's prior written approval which may be withheld in its sole and absolute discretion, service customers outside the Protected Territory, if such customers are located in areas geographically contiguous to the Protected Territory and are not within the protected territories of other franchisees' franchised businesses, or a Franchisor-owned outlet (an "Open Territory"). Upon the designation of an Open Territory as the protected territory of another franchisee, or the Franchisor, a Franchisee must cease servicing customers in the Open Territory immediately.

5.2. Prior to Franchisee beginning operations of the Franchised Business as provided in Section 8.4, Franchisor shall provide Franchisee with the following assistance, on the same basis as it from time to time makes available to other similarly situated Franchisees:

5.2.1. Training in the operation of the Franchised Business for the designated owner(s) of Franchisee (the "Designated Owner") and/or the designated representative or management personnel selected by Franchisee and approved by Franchisor (the "Designated Representative"). Such training shall be conducted exclusively by Franchisor or its designee at a site to be designated by Franchisor or through a virtual environment. There is no charge for the initial training program for up to two (2) persons; however, Franchisee shall pay all its and its

Designated Owners' and Designated Representatives' costs incurred in such training, including travel, room, board, wages and living expenses. Franchisee will be charged Franchisor's then-current training fees for training additional Designated Owners or Designated Representatives or for retraining any persons who fail to complete Franchisor's initial program to Franchisor's satisfaction.

5.2.2. If requested in writing by Franchisee, Franchisor will provide on-Premises additional and supplementary pre-opening or opening assistance by Franchisor or its representative(s) in the initial operation of the Franchised Business as Franchisor may, in its discretion, deem appropriate. Franchisee shall pay Franchisor's then-current training fees for such additional training.

5.2.3. One (1) copy of the Operations Manual, and a copy of any set of any written materials which Franchisor may make available.

6. FEES

6.1. In consideration for the execution of this Agreement, Franchisee agrees to pay Franchisor an initial franchise fee (the "Initial Franchise Fee") in the amount of set forth on Exhibit A, which shall be paid in full by the Effective Date. The Initial Franchise Fee is non-refundable.

6.2. Beginning on the first day of the month following the beginning operations of the Franchised Business as provided in Section 8.4:

6.2.1. Franchisee shall pay Franchisor a continuing monthly fee in the manner provided in Section 6.3 equal to the greater of eight percent (8%) of the Gross Sales of the Franchised Business or the Minimum Continuing Fee set forth in the following Minimum Continuing Fee Schedule (the "Continuing Fee"):

Period of Months after Delivery of the Vehicle to Franchisee	Minimum Continuing Fee
0 to 6 months	$0
6 to 12 months	$500 per month
12 months and thereafter	$1,000 per month

If Franchisee's principal owner is a veteran of the United States armed forces, the Continuing Fee during the first six (6) months of operation shall be four percent (4%) of Gross Sales.

6.2.2. Franchisee shall pay to Franchisor a monthly brand fee for the brand awareness Program (described in Article 10) equal to one percent (1%) of Franchisee's monthly Gross Sales (the "Brand Fee(s)"). The Program shall be maintained in accordance with the terms of Article 10. The amount of the Brand Fee may be revised from time to time by Franchisor, not to exceed 1% of Gross Sales, in its sole and absolute discretion. All Brand Fees shall be paid in the same manner as Continuing Fees, as provided in Section 6.3.

6.2.3. Franchisee shall pay an amount equal to all sales, use, gross receipts or similar tax assessed against or payable by Franchisor and calculated on continuing payments required to be paid hereunder, unless the tax is an income tax or an optional alternative to an income tax otherwise payable by Franchisor. Such amount is due and payable within seven (7) days after receipt of Franchisor's invoice therefor.

6.3. The Continuing Fee shall be paid by Franchisee to Franchisor via electronic funds transfer, or any other means reasonably specified by Franchisor, and shall be due on the tenth (10^{th}) day of each month during the Term, provided such day is a business day. If the date on which the Continuing Fee would otherwise be due is not a business day, the payment shall be due on the next business day.

6.4. If any fee or any other amount due under this Agreement is not paid within five (5) days after such payment is due, Franchisee shall pay a service charge equal to the lesser of an annual rate of eighteen percent (18%) or the highest rate then permitted by applicable law. This charge shall accrue whether or not Franchisor exercises its right to terminate this Agreement pursuant to Article 14.

6.5. The term "Gross Sales," as used in this Agreement, shall mean the aggregate gross amount of all revenues from whatever source derived (whether in the form of cash, credit, agreements to pay or other consideration, and whether or not payment is received at the time of sale or any such amounts prove un-collectible) which arise from or are derived by Franchisee or by any other person from business conducted or which originated in, on, from, or through the System, the Installed Vehicle, or from the sale of any products or services associated with the use of the Licensed Marks, whether such business is conducted in compliance with or in violation of the terms of this Agreement, excluding only sales or other tax receipts (the collection of which is required by law).

6.6. All payments by Franchisee pursuant to this Article 6 shall be applied in such order as Franchisor may designate from time to time. Franchisee agrees that it may not designate an order for application of any fees different from that designated by Franchisor and expressly acknowledges and agrees that Franchisor may accept fees paid pursuant to different instructions without any obligation to follow such instructions, even if such payment is made by its terms conditional on such instructions being followed. This provision may be waived only by written agreement signed by Franchisor, which written agreement must be separate from the check or other document constituting payment.

6.7. You must also pay us, or a third party that we designate, a technology fee for various technology services that we will provide or arrange for third parties to provide to you, which services are subject to change over time (the "Technology Fee"). Currently, the Technology Fee is $325 per month from the date that you open your Crushr Business for business and will be billed monthly in arrears. We reserve the right to increase the Technology Fee by providing you with written notice of any change at least 30 days prior to the implementation of the new fee amount. 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 the system website. We may add, delete, or otherwise modify the products and services that are included in the Technology Fee. In addition to the monthly Technology Fee, you will be responsible for any "per transaction" fee charged by third-party vendors for mobile application or online bookings, if any.

7. LICENSED MARKS

7.1. The System may include certain trademarks, logos and other designs as identified in the Operations Manual from time to time ("Licensed Marks"). Franchisee shall have the non-exclusive right and license for the Term to use the Licensed Marks solely for purposes of operating the Franchised Business under the System in compliance with this Agreement. Franchisee may use the Licensed Marks only in the manner and format specified in the Operations Manual or otherwise with the prior written consent of Franchisor. Franchisor reserves the right to specify the use of the Licensed Marks and to pre-approve in writing any non-specified use of the Licensed Marks. Franchisee shall not use or permit to be used any of the Licensed Marks in connection with any other business owned or operated by Franchisee or its affiliates. Franchisee shall not use any marks to identify the Franchised Business other than the Licensed Marks as specified by Franchisor.

7.2. Franchisee expressly acknowledges Franchisor's rights in and to the Licensed Marks, and Franchisee agrees not to represent in any manner that Franchisee has acquired any ownership rights in the Licensed Marks. Franchisee agrees not to use any of the Licensed Marks or any marks, names or indicia which are or may be confusingly similar in its own corporate or business name except as authorized in this Agreement. Franchisee further acknowledges and agrees that any and all goodwill associated with the System and identified by the Licensed Marks (including all future distinguishing characteristics, improvements and additions to or associated with the System) is Franchisor's and/or Licensor's property and shall inure directly and exclusively to the benefit of Franchisor and Licensor and that, upon the expiration or termination of this Agreement for any reason, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Licensed Marks.

7.3. Franchisee understands and agrees that any use of the Licensed Marks other than as expressly authorized by this Agreement, without Franchisor's prior written consent, may constitute an infringement of Franchisor's or Licensor's rights therein and that the right to use the Licensed Marks granted herein does not extend beyond the termination or expiration of this Agreement. Franchisee expressly covenants that, during the Term of this Agreement and thereafter, Franchisee shall not, directly or indirectly, commit any act of infringement or contest or aid others in contesting the validity of Franchisor's right to use the Licensed Marks or take any other action in derogation thereof.

7.4. Franchisee shall promptly notify Franchisor of any claim, demand or cause of action that Franchisor may have based upon or arising from any unauthorized attempt by any person or legal entity to use the Licensed Marks, any colorable variation thereof, or any other mark, name or indicia in which Franchisor has or claims a proprietary interest. Franchisor or Licensor may, in its sole and absolute discretion, take any action in connection with any infringement, challenge or claim relating to the Licensed Marks in coordination with the Licensor in accordance with the License Agreement, but Franchisor shall not be required to take any action. Franchisee shall assist Franchisor, upon request and at Franchisor's expense, in taking such action, if any, as Franchisor may deem appropriate to halt such activities, but shall take no action nor incur any expenses on Franchisor's behalf without Franchisor's prior written approval. If Franchisor undertakes the defense or prosecution of any litigation relating to the Licensed Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may, in the opinion of Franchisor's legal counsel, be reasonably necessary to carry out such defense or prosecution.

7.5. Franchisee further agrees and covenants to operate and advertise only under the names or marks from time to time designated by Franchisor; to adopt and use the Licensed Marks solely in the manner prescribed by Franchisor; to refrain from using the Licensed Marks to perform any activity or to incur any obligation or indebtedness in such a manner as may, in any way, subject Franchisor to liability therefore; to observe all laws with respect to the registration of trade names and assumed or fictitious names, to include in any application therefore a statement that Franchisee's use of the Licensed Marks is limited by the terms of this Agreement, and to provide Franchisor with a copy of any such application and other registration document(s); to observe such requirements with respect to trademark and service mark registrations and copyright notices as Franchisor may, from time to time, require, including, without limitation, affixing "SM", "TM", or ®, adjacent to all such Licensed Marks in any and all uses thereof; and, to utilize such other appropriate notice of ownership, registration and copyright as Franchisor may require.

7.6. If it becomes advisable at any time in Franchisor's sole discretion for Franchisor and/or Franchisee to modify or discontinue use of any Licensed Mark, and/or use one or more additional or substitute trade or service marks, Franchisee agrees to comply with Franchisor's directions to modify or otherwise discontinue the use of such Licensed Mark within the time specified in the notice thereof given to Franchisee by Franchisor. Franchisor shall not be obligated to compensate Franchisee for any costs incurred by Franchisee in connection with such modification or discontinuance. Any expenses or costs associated with the use by Franchisee of any such new, modified or replacement Licensed Marks shall be the sole responsibility of Franchisee.

8. STANDARDS OF OPERATION

8.1. Franchisor shall establish and Franchisee shall maintain standards of quality, appearance and operation for the Franchised Business. For the purpose of giving distinctiveness to the Licensed Marks, enhancing the public image and reputation of businesses operating under the System and for the purpose of increasing the demand for services and products provided by Franchisees and Franchisor, the Franchisee agrees to operate the Installed Vehicle including the Mobile Pulverizer in strict conformity with Franchisor's standards and all rules, regulations and policies which are by their terms mandatory, including, without limitation, those contained in the Operations Manual.

8.2. Franchisee must purchase an Installed Vehicle for its use in the Franchised Business from the Franchisor's approved dealer(s) and from no other source. Franchisee must modify the Mobile Pulverizer for use on a vehicle (the "Installed Vehicle") as set forth in the Operations Manual, and shall be bound by all other provisions contained herein specific to the Installed Vehicle and Mobile Pulverizer. Certain other equipment and supplies must meet the specifications (brand, model and/or performance specifications) in the Operations Manual, including supplies, communications equipment and business and accounting software used in the Franchised Business. These specifications include standards for delivery, performance, design, reliability and appearance. Such specifications may be modified periodically, and any costs associated with such modifications shall be the sole responsibility of Franchisee.

8.2.1. Franchisee shall maintain the Installed Vehicle and the Mobile Pulverizer in good condition and repair throughout the term of this Agreement. Franchisee shall follow all service guidelines and bulletins regarding the periodic maintenance and servicing of the Installed Vehicle and Mobile Pulverizer provided by Franchisor or the supplier. Upon notice from

us, you must re-paint and re-letter any Installed Vehicle and Mobile Pulverizer from time to time in accordance with our then-current standards for Installed Vehicles as set forth in the Operations Manual. Franchisee shall utilize only approved vendors for service and maintenance of the Installed Vehicle and Mobile Pulverizer.

8.2.2. Franchisee must use the Installed Vehicle and the Mobile Pulverizer in strict accordance with this Franchise Agreement and Operations Manual. Among other restrictions, Franchisee may use the Installed Vehicle and the Mobile Pulverizer solely for the Franchised Business and for no other purpose and Franchisee may not sell, encumber or transfer any rights in the Installed Vehicle and the Mobile Pulverizer except in strict compliance with this Franchise Agreement.

8.2.3. Currently, the purchase price for the Installed Vehicle is approximately $240,000 plus all applicable sales taxes. The purchase price of the Installed Vehicle includes our cost to acquire the Mobile Pulverizer from our manufacturer in Germany through its U.S. distributor, the cost to ship the Mobile Pulverizer from our manufacturer's plant in Germany to our installation facility near Louisville, Kentucky, the cost of the approved vehicle into which the Mobile Pulverizer will be installed, the cost to install the Mobile Pulverizer into the approved vehicle at our installation facility, and certain financing charges and administrative costs incurred by us in the acquisition and installation of the Mobile Pulverizer as well as an overhead factor. The purchase price for the Installed Vehicle, or any other Installed Vehicles that we may permit you to operate in the Protected Territory in our sole discretion, is subject to change.

8.2.4. The Franchisee will remit payment for the Installed Vehicle to the approved vehicle supplier (the "Supplier"), and such payment shall include the cost of the acquisition and installation of the Mobile Pulverizer and a MDVR camera into the required vehicle. The Supplier will remit the payment for the Mobile Pulverizer and MDVR camera to the Franchisor.

8.2.5. In the event this Agreement is terminated for whatever reason and the Franchisee is no longer operating a Crushr Business, the Franchisor shall have the right of first refusal, but not the obligation, to repurchase the Mobile Pulverizer as set forth in the table below:

Year 1	$64,000.00
Year 2	$48,000.00
Year 3	$36,000.00
Year 4	$24,000.00
Year 5	$12,000.00
Year 6 and beyond	$1.00

Year 1 shall mean the first full year, beginning on the date the Mobile Pulverizer is placed in service (the "Placed in Service Date"). Years Two through Six shall mean the subsequent full years, Year Two beginning one year after the Placed in Service Date, and the subsequent Years commencing on the anniversary of the Placed in Service Date.

8.3. The Franchised Business shall begin operations after receipt of authorization to do so by Franchisor, which authorization must be requested by Franchisee, in writing, at least fifteen (15) days in advance of Franchisee's desire to deploy the Installed Vehicle for business. Franchisee shall begin operations of the Franchised Business no later than: (i) sixty (60) days after you take delivery of the Installed Vehicle, or (ii) one hundred eighty (180) days after the Effective Date, whichever is later, subject to your compliance with all other terms of this Agreement, including your completion of our pre-opening training programs.

8.4. Prior to beginning operations of the Franchised Business, the Designated Owner or Designated Representative, as applicable, shall have been certified by Franchisor as meeting Franchisor's qualifications for management. Franchisee agrees that the Franchised Business shall only be operated directly by a Designated Owner or by a Designated Manager employed by Franchisee who has previously been approved by Franchisor and not thereafter disapproved by Franchisor. Franchisee shall notify Franchisor in writing at least thirty (30) days prior to employing any such Designated Manager, setting forth in reasonable detail all pertinent information relative to the individual's character and business background and experience. No such Designated Manager shall be employed to operate the Franchised Business (or any part thereof) without Franchisor's prior consent, based upon such standards and requirements as Franchisor may from time to time specify, in writing or otherwise. If Franchisor rejects or later disapproves such Designated Representative, it shall notify Franchisee of the pertinent reasons cited for disapproval. Notwithstanding the right of Franchisor to protect the goodwill of the System by disapproving any Designated Representative employed by Franchisee, such Designated Representative shall not be deemed an employee of Franchisor for any purpose whatsoever. Designated Owners and any Designated Representatives as approved by Franchisor shall complete, to Franchisor's reasonable satisfaction, any and all training programs as Franchisor may reasonably require. If any trainee fails to complete the required initial training program satisfactorily, Franchisor shall notify Franchisee of such failure and require Franchisee to designate a substitute trainee. Franchisee's Mobile Pulverizer shall at all times continue to be managed by personnel who have met Franchisor's training requirements. All expenses incurred in training, including, without limitation, cost of travel, room, board and wages of the person(s) receiving such training shall be borne by Franchisee. Franchisee shall also bear the cost of any additional training that may be required by Franchisor. Franchisee agrees that at all times during the Term of this Agreement there shall be at least one Designated Owner or Designated Representative who: (a) is principally responsible for the operation of the Franchised Business on a full-time, in-person basis at the Premises, and (b) has attended and satisfactorily completed such training, retraining or refresher training program as Franchisor may require, at such times and places prior to the expiration of this Agreement as Franchisor may reasonably designate.

8.5. Unless otherwise specifically approved by Franchisor, the Franchised Business shall be open for the conduct of business at such times and for the minimum number of hours specified by Franchisor in the Operations Manual, as may be amended from time to time; and Franchisee shall at all times staff the Franchised Business with such number of employees and operate the Franchised Business diligently so as to maximize its revenues and profits.

8.6. Franchisee shall use only business stationary, business cards, marketing materials, advertising materials, printed materials or forms that have been approved in advance by Franchisor. Franchisee shall not employ any person to act as a representative of Franchisee in connection with

local promotion of the Franchised Business in any public media without the prior written approval of Franchisor.

8.7. In all advertising, Franchisee shall, in such form and manner as may be specified by Franchisor in the Operations Manual, notify the public that Franchisee is operating the Franchised Business as an independently owned and operated franchisee of Franchisor and shall identify its business location in the manner specified by Franchisor in the Operations Manual.

8.8. Franchisee shall, within forty-eight (48) hours of receipt of any customer complaint, notify Franchisor of the complaint and all pertinent details. Franchisee shall respond promptly to customer complaints and shall take such other steps as may be required to ensure positive customer relations, including abiding by any service guaranties or similar policies required by Franchisor and/or as set forth in the Operations Manual. Franchisee shall inform Franchisor of the resolution of the complaint.

8.9. Franchisee hereby grants to Franchisor and its agents the right to inspect the Installed Vehicle and the Mobile Pulverizer, without notice, at any reasonable time. Franchisee agrees to take such steps as may be necessary immediately to correct any deficiencies detected during such an inspection upon the request of Franchisor or its agents.

8.10. Franchisee shall purchase, install and utilize at its sole cost and expense any communications equipment and devices, computer hardware and information technology systems and software (including without limitation accounting and dispatching software) as required by Franchisor from time to time. Franchisee shall install, update or replace any equipment, devices, computers, or software designated by Franchisor for use pursuant to the System, including, without limitation, software designed to facilitate or enhance communications (such as e-mail, call center or web based dispatch services), software designed for the purpose of recording receipts at point of sale, devices that will telecommunicate gross sales directly to Franchisor on a daily basis, and Franchisee shall utilize equipment including locked totaling devices and software of such kind and in such manner as is specified by Franchisor in the Operations Manual or otherwise in writing.

8.11. Franchisee hereby grants to Franchisor the right to take such steps as are necessary to manage the Franchised Business for the account of Franchisee in the event of Franchisee's death or in the event that an independent third party (such as a medical doctor or judicial authority) reasonably determines that Franchisee is incapacitated or incapable of running the Franchised Business, and Franchisor shall receive a reasonable fee for such services.

8.12. Franchisee shall require that all of its managers, officers, shareholders, members, and employees which have access to any confidential information sign a written agreement (which is satisfactory to Franchisor) imposing an obligation of confidentiality regarding the Operations Manual and all other confidential and proprietary information of Franchisor and/or Licensor.

8.13. Franchisee's Designated Owner or Designated Representative, as applicable, must actively participate in the actual operation of the Franchised Business, and devote as much of its time as is reasonably necessary for the efficient operation of the Franchised Business.

9. OPERATIONS MANUAL

9.1. Franchisor will make available to Franchisee its operations manual and any other manual or proprietary information Franchisor may now or hereafter designate for use in operating the Franchised Business (collectively the "Operations Manual"). Franchisee must operate the Franchised Business in strict compliance with the Operations Manual, as it may be reasonably changed from time to time. Any expense associated with changes to the Operations Manual or System Standards shall be Franchisee's sole responsibility. The Operations Manual must remain confidential and is Franchisor's exclusive property. Franchisee will not disclose, duplicate or make any unauthorized use of any portion of the Operations Manual. The provisions of the Operations Manual constitute provisions of this Agreement as if fully set forth herein. Franchisee shall ensure that its copy of the Operations Manual is current and up to date, and shall keep a copy of the Operations Manual accessible to it at all times. If there is a dispute relating to the contents of the Operations Manual, the master copy, which Franchisor maintains at Franchisor's corporate headquarters, will control. Franchisor reserves the right to disclose updates to the Operations Manual via electronic means, including over Franchisor's website or any intranet or extranet system established in connection with the System.

9.2. Franchisee shall at all times use its best efforts to keep the Operations Manual and any other manuals, materials, goods and information created or used by Franchisor and designated for confidential use, within the System and the information contained therein as confidential, and shall limit access to employees of Franchisee on a need-to-know basis. Franchisee acknowledges that the unauthorized use or disclosure of Franchisor's confidential information or trade secrets will cause irreparable injury to Franchisor and that damages are not an adequate remedy. Franchisee accordingly covenants that it shall not at any time, without Franchisor's prior written consent, disclose, use, permit the use thereof, copy, duplicate, record, transfer, transmit or otherwise reproduce such information, in any form or by any means, in whole or in part, or otherwise make the same available to any unauthorized person or source. Any and all information, knowledge and know-how not known about the System and Franchisor's products, services, standards, procedures, techniques and such other information or material as Franchisor may designate as confidential shall be deemed confidential for purposes of this Agreement.

9.3. Franchisee understands and acknowledges that Franchisor may, from time to time, revise the contents of the Operations Manual to implement new or different requirements for the operation of the Franchised Business, and Franchisee expressly agrees to comply with all such changed requirements at its expense.

10. ADVERTISING AND MARKETING

10.1. Recognizing the value of standardized advertising and marketing programs to the furtherance of the goodwill and public image of the System, and in order to enable such programs in an effective and consistent manner, the parties agree as follows:

10.1.1. Franchisor has established and administers a brand awareness program (the "Program") for national, regional and/or local advertising, public relations and marketing programs and market research ("Brand Awareness"). Franchisor shall direct and have sole and absolute discretion over the Brand Awareness and the Program and its expenditures, including concepts, materials and media used therein. All Brand Fees paid by Franchisee pursuant to Section 6.2 shall be part of the Program. Neither Franchisee nor any other franchisees of Franchisor who shall be obligated to contribute to the Program shall be deemed a third-party beneficiary with

respect to the Program or have any right to enforce any obligation to contribute thereto. Franchisee understands and acknowledges that Company- owned outlets may not be required to contribute to the Program. Franchisee understands and acknowledges that the Program is intended to benefit the System as a whole and that Franchisor and its designee undertake no obligation in administering the Program to ensure that any particular franchisee benefits directly or pro rata from the Brand Awareness. In the event of termination or expiration of this Agreement, Franchisee shall not be entitled to a refund of any Brand Fees paid by Franchisee. Franchisor may, in its sole discretion from time to time, advance monies to the Program and charge the Program interest on such advances and may authorize repayment of such advances from the Program, all in accordance with such terms as Franchisor deems necessary or appropriate. Franchisee agrees that the Program may otherwise be used to meet any and all costs incident to such Brand Awareness, including joint or collective advertising and brand awareness campaigns of Franchisor's direct or indirect parent corporations or subsidiaries thereof or affiliated companies using the System. In addition, Franchisor shall have the right to expend all, or any portion of, the monies in the Program for cooperative advertising, brand awareness or promotional programs on a regional or local basis; provided, however, that such programs shall be available to all similarly situated franchisees as determined by Franchisor. Furthermore, Franchisor reserves the right to terminate the Program, but in such event will spend or use all remaining Program assets for Brand Awareness.

10.1.2. All payments to the Program may be deposited in Franchisor's general operating account; may be commingled with Franchisor's general operating funds, though segregated administratively in Franchisor's books and records; and may be deemed an asset of Franchisor, subject however to Franchisor's obligation to expend the monies in the Program in accordance with the terms hereof. Franchisor shall furnish Franchisee with annual financial statements of the Program, certified to be correct by an officer of Franchisor, upon request within one-hundred twenty (120) days following the end of the fiscal year. Franchisor may, in its sole discretion, elect to accumulate monies in the Program for such periods of time as it deems necessary or appropriate, with no obligation to expend all monies received in any fiscal year during such fiscal year. The parties do not intend that the Program be deemed a trust.

10.1.3. At its expense and exclusive of any sums paid to the Program, Franchisee agrees to conduct on an annual basis continuing local advertising in form, content and media approved by Franchisor, in an amount equal to not less than $500 per month, which Franchisor may increase to $1,000 per month in its sole and absolute discretion. Franchisee shall submit evidence of any such expenditure to Franchisor on a monthly basis. In the event that Franchisee shall fail to expend such sums on local advertising, Franchisor may, immediately upon notice provided to Franchisee, conduct the required local advertising on Franchisee's behalf, and shall bill Franchisee for any amounts expended on Franchisee's behalf.

10.1.4. Franchisor may provide Franchisee, from time to time, with local advertising, brand awareness and marketing materials, including without limitation newspaper mats, radio commercial tapes, merchandising materials, sales aids, special promotions and similar advertising and brand awareness campaigns at a reasonable price, plus handling. You must participate in all promotional programs and campaigns which we may establish from time to time.

10.1.5. Franchisee shall submit to Franchisor for its prior approval samples of all advertising to be used by Franchisee that have not been prepared or previously approved by Franchisor.

10.1.6. Franchisee shall participate in all cooperative brand awareness programs as are from time to time prescribed by Franchisor. Franchisor may also require local cooperative brand awareness contributions of up to two percent (2%) of Franchisee's Gross Sales, but any cooperative brand awareness contributions will be credited against Franchisee's required local advertising expenditure (but not the payment of required Brand Fees). The terms and conditions required for participation in any such cooperative brand awareness program or programs shall be as specified in the Operations Manual.

10.1.7. Franchisee agrees to participate in all advertising, brand awareness and marketing programs designated by Franchisor as mandatory.

11. STATEMENTS, RECORDS AND FEE PAYMENTS

11.1. Franchisee shall use such customer data management, sales data management, accounting, bookkeeping, administrative, and inventory control procedures and systems as Franchisor may specify in the Operations Manual or otherwise in writing. Franchisee shall, in a manner satisfactory to Franchisor, and in accordance with generally accepted accounting principles, maintain original, full and complete receipts other records, accounts, books, data, licenses, contracts and product supplier invoices which shall accurately reflect all particulars relating to Franchisee's business and such statistical and other information or records as Franchisor may require and shall keep all such information for not less than three (3) years, even if this Agreement is no longer in effect. Upon Franchisor's request, Franchisee shall furnish Franchisor with copies of any or all product supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature including, without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to Franchisor under this Article 11 shall belong to Franchisor and may be used and published by Franchisor in connection with the System. Franchisor and its designated agents shall have the right to examine and audit such records, accounts, books and data at all reasonable times to ensure that Franchisee is complying with the terms of this Agreement. If such inspection discloses that the Gross Sales during any scheduled reporting period actually exceeded the amount reported by Franchisee as its Gross Sales by more than two (2%) percent, Franchisee shall bear the cost of such inspection and audit and shall pay any such deficiency with interest from the date due at the lesser of eighteen (18%) percent per year of such overdue amount or the highest rate permitted by applicable law, immediately upon the request of Franchisor.

11.2. No later than the tenth (10th) day of each month, Franchisor shall have received from Franchisee, on forms prescribed by Franchisor, statements stating the fees due to Franchisor during the preceding month, itemized by revenue-producing activity as specified from time to time by Franchisor, the Gross Sales for the prior month, and such other information as Franchisor may require, all signed and certified as true and correct by an authorized agent of Franchisee.

11.3. Upon Franchisor's request, Franchisee shall furnish Franchisor with a copy of each of its reports and returns of sales, use and gross receipt taxes and complete copies of any state or federal income tax returns covering the operation of the Franchised Business, all of which Franchisee shall certify as true and correct.

11.4. Franchisee shall prepare and deliver to Franchisor on a monthly basis, no later than the tenth (10th) day of each month, an unaudited profit and loss statement in a form satisfactory to Franchisor in its sole and absolute discretion covering Franchisee's business for the prior month and such additional reports as Franchisor may require, all of which shall be certified by Franchisee as true and correct. Franchisee shall also submit to Franchisor by March 1 and September 1 of each year during the Term of this Agreement, an unaudited balance sheet reflecting the financial position of the Franchised Business as of the preceding December 31 and June 30. In addition, Franchisee, as well as any guarantor(s) of this Agreement, shall, within sixty (60) days after request from Franchisor, deliver to Franchisor a financial statement, certified as correct and current, in a form which is satisfactory to Franchisor and which fairly represents the total assets and liabilities of Franchisee and any such guarantors. Within ninety (90) days after the close of each fiscal year of Franchisee, Franchisee shall furnish to Franchisor financial statements which shall include a statement of income and retained earnings, a statement of changes in financial position, and a balance sheet of Franchisee, all as of the end of such fiscal year, which shall be certified to by an authorized agent of Franchisee as being true and correct.

11.5. Upon the request of Franchisor, in addition to the foregoing unaudited statements, within ninety (90) days after the close of each fiscal year of Franchisee, commencing after the Franchisee's third (3rd) full fiscal year from the Effective Date, Franchisee shall furnish to Franchisor, at Franchisee's expense, an audited statement of income and retained earnings of Franchisee for such fiscal year and an audited balance sheet of Franchisee as of the end of such fiscal year, all prepared in accordance with generally accepted accounting principles and certified by a certified public accountant. Prior to the Franchisee's third (3rd) full fiscal year from the Effective Date, or in the event Franchisor does not require audited financial statements from Franchisee, Franchisee shall furnish to Franchisor, at Franchisee's request, reviewed financial statements for each fiscal year of Franchisee, including a statement of income and retained earnings of Franchisee for such fiscal year and a balance sheet of Franchisee as of the end of such fiscal year, all prepared in accordance with generally accepted accounting principles and certified by a certified public accountant.

11.6. In addition to the foregoing statements, promptly upon request by Franchisor, and also within sixty (60) days after the close of each fiscal year of Franchisee, Franchisee shall furnish to franchisor a list of all holders of legal and beneficial interests in Franchisee, certified as complete by an authorized agent of Franchisee. If any of Franchisee's general partners, officers or directors cease to serve as such or any individual is elected as a general partner, officer or director after execution of this Agreement, Franchisee will notify Franchisor in writing within ten (10) days after such change. Promptly upon request by Franchisor, Franchisee shall furnish a list of all holders of legal and beneficial interests in Franchisee, together with description and percentage amount, names, addresses and telephone numbers.

12. COVENANTS

12.1. During the Term of this Agreement, Franchisee, and each of its owners, covenants, individually:

12.1.1. To use its best efforts in operating the Franchised Business and in recommending, promoting and encouraging patronage of all Crushr Businesses;

12.1.2. Not to engage, directly or indirectly, as an owner, operator, or in any managerial capacity in any Competing Business (as defined below) at or within a twenty-five (25)-mile radius of the Premises or the protected territory of any other System franchisees in operation.

12.2. In the event this Agreement is terminated, expires, or is not renewed, or if Franchisee or any of Franchisee's owners assigns or transfers its interest herein to any person or business organization (except pursuant to Article 13 hereof), then in such event Franchisee and any such owner covenants, for a period of two (2) years after such termination, expiration, non-renewal, transfer or assignment, not to engage, directly or indirectly, as an owner, operator, or in any managerial capacity, in any Competing Business at or within a twenty-five (25)- mile radius of the Premises or the protected territory of any other System franchisees in operation at the time of such termination, expiration, non-renewal, transfer or assignment.

12.3. During the Term of this Agreement and thereafter, Franchisee and each owner covenants not to communicate, directly or indirectly, nor to divulge to or use for its benefit or the benefit of any other person or legal entity, any trade secrets which are proprietary to Franchisor or any information, knowledge or know-how deemed confidential under Article 9 hereof, except as permitted by Franchisor. In the event of any termination, expiration or non- renewal of this Agreement, Franchisee agrees that it will never use Franchisor's confidential information, trade secrets, methods of operation or any proprietary components of the System in the design, development or operation of any Competing Business. Franchisee agrees that if it engages as an owner, operator or in any managerial capacity in any such business, it will assume the burden of proving that it has not used Franchisor's confidential information, trade secrets, methods of operation or any proprietary components of the System. The protection granted hereunder shall be in addition to and not in lieu of all other protections for such trade secrets and confidential information as may otherwise be afforded in law or in equity. In addition, we may require Franchisee to execute employee non-disclosure and non-competition agreements with its managers or other employees or agents with access to confidential materials or information, which shall prohibit competition by such persons during and for a period of two (2) years after termination of their employment with Franchisee in any Competing Business selling at or within a twenty-five (25)- mile radius of the Premises or the protected territory of any other System franchisees and which shall further prohibit disclosure by such parties to any other person or legal entity of any trade secrets or any other information, knowledge or know-how deemed confidential by Franchisor concerning the operation of the Franchised Business. The form of such employee non-disclosure agreements shall be subject to the prior written approval of Franchisor and shall also be for the benefit of Franchisor. Franchisor shall be a third-party beneficiary of such agreements and Franchisee shall not amend, modify or terminate any such agreement without Franchisor's prior written consent.

12.3.1. "Competing Business" means any business that offers (or grants franchises or licenses to others to operate a business that offers) mobile commercial on-site trash compacting services the same as or similar to those provided by System franchises or in which Franchisor's confidential information, trade secrets, methods of operation or any proprietary components could be used to the disadvantage of Franchisor or its other franchisees; provided, however, that the term "Competing Business" shall not apply to (a) any business operated under a franchise agreement with Franchisor, or (b) any business operated by a publicly held entity in which Franchisee or any owner or employee of Franchisee owns less than a five percent (5%) legal or beneficial interest.

12.4. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. Should any part of one (1) or more of these restrictions be found to be unenforceable by virtue of its scope in terms of area, scope or time, and should such part be capable of being made enforceable by reduction of any or all such restrictions, Franchisee and Franchisor agree that the same shall be enforced to the fullest extent permissible under the law. In addition, Franchisor may, unilaterally, at any time, in its sole discretion, revise any of the covenants in this Article 12 so as to reduce the obligations of Franchisee hereunder. The running of any period of time specified in of this Article 12 shall be tolled and suspended for any period of time in which Franchisee or any owner or employee of Franchisee is found by a court of competent jurisdiction to have been in violation of any restrictive covenant. Franchisee further expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 12.

13. TRANSFER AND ASSIGNMENT

13.1. This Agreement and all rights and duties hereunder may be freely assigned or transferred by Franchisor, in whole or in part, without Franchisee's consent, in its sole discretion, but only to a person or legal entity that agrees to assume Franchisor's obligations hereunder, and shall be binding upon and inure to the benefit of Franchisor's successors and assigns including, without limitation, any entity which acquires all or a portion of the equity of Franchisor or any entity resulting from or participating in a merger, consolidation or reorganization in which Franchisor is involved, and to which Franchisor's rights and duties hereunder (in whole or in part), are assigned or transferred.

13.2. Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee and Franchisee's owners, and that Franchisor has entered into this Agreement in reliance on many factors, including, without limitation, the individual or collective character, skill, aptitude and business and financial capacity of Franchisee and its owners. Accordingly, neither Franchisee nor any person owning any direct or indirect equity interest therein, shall, without Franchisor's prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest; (i) in this Agreement or any portion or aspect thereof, (ii) the Franchised Business, or (iii) any equity or voting interest in Franchisee that equals or exceeds twenty percent (20%) of the total equity or voting interests in Franchisee on a fully diluted basis, nor permit the Franchised Business to be operated, managed, directed or controlled, directly or indirectly, by any person other than Franchisee (any such act or event is referred to as a "Transfer") without the prior written approval of Franchisor. Any such purported Transfer occurring by operation of law or otherwise, including any Transfer by a trustee in bankruptcy, without Franchisor's prior written consent, shall be a material default of this Agreement. Notwithstanding the foregoing, the transferor shall remain obligated under this Agreement until released by Franchisor, or until this Agreement is terminated and all Post-Term Obligations pursuant to Article 15 are fulfilled. In addition, in the event Franchisee is a corporation, the stock of such corporation shall not be publicly sold or traded on any securities exchange or in the over- the-counter market without the express prior written consent of Franchisor, which consent may be given or denied in Franchisor's sole discretion.

13.2.1. Franchisee understands and acknowledges the vital importance of the performance of Franchisee to the market position and overall image of Franchisor. Franchisee also

recognizes that there are many subjective factors that comprise the process by which Franchisor selects a suitable Franchisee. The consent of Franchisor to a Transfer by Franchisee shall remain a subjective determination and shall include, but not be limited to, the following conditions:

13.2.1.1. The proposed transferee is a person or entity that meets the Franchisor's standards of qualification then applicable with respect to all new applicants for similar Franchisees;

13.2.1.2. The proposed Transfer is on commercially reasonable terms;

13.2.1.3. As of the effective date of the proposed Transfer, all obligations of Franchisee hereunder and under any other agreements between Franchisee and Franchisor are fully satisfied;

13.2.1.4. As of the effective date of the proposed Transfer, all obligations of the proposed transferee to the Franchisor under all other agreements of any kind between the proposed transferee and Franchisor are fully satisfied; and

13.2.1.5. As of the effective date of the proposed Transfer, Franchisor shall have forwarded to Franchisee its approval, granted in its reasonable business judgment, of the proposed Transfer to the proposed transferee, in accordance with the following provisions of this Article 13.

13.2.2. Franchisee shall submit to Franchisor prior to any proposed Transfer of any equity or voting interest in Franchisee equal to twenty percent (20%) or more of the total equity or voting interests in Franchisee on a fully diluted basis, and at any other time upon request, a list of all holders of direct or indirect equity and voting interests in Franchisee reflecting their respective present and/or proposed direct or indirect interests in Franchisee, in such form as Franchisor may require.

13.2.3. Franchisor may require, as a condition of its approval of any proposed Transfer, satisfaction of the additional requirements set forth in this Section 13.2 in the event Franchisee is a partnership or privately-held corporation and the proposed Transfer, alone or together with all other previous, simultaneous and/or proposed Transfers, would have the effect of reducing directly or indirectly to less than a majority of the percentage of equity and voting interest (as reasonably determined by Franchisor) owned in Franchisee, or in the event Franchisee is a natural person and the proposed Transfer, alone or together with other simultaneous or proposed Transfers, would have the effect of reducing directly or indirectly Franchisee's equity or voting interest as reasonably determined by Franchisor in the Franchised Business to less than a majority, or would result in a Transfer of control, meaning a change of the unrestricted power to direct the management and/or policies of Franchisee (including those related to payment of financial obligations and a Transfer of control with respect to a general partnership interest), directly or indirectly, whether through ownership of interests, by contract or otherwise. In computing the percentages of equity and voting interest owned in Franchisee for purposes of this Section 13.2, general partnership interests shall not be distinguished from limited partnership interests.

13.2.4. The requirements for all such Transfers under paragraph 13.2.3 are as follows:

13.2.4.1. Franchisee must request that Franchisor provide the prospective transferee with the Franchisor's current form of FDD, and a receipt for such document shall be delivered to Franchisor; provided, however, Franchisor shall not be liable for any representations other than those contained in the FDD;

13.2.4.2. The proposed transferee must execute a new franchise agreement, namely, Franchisor's then-current form of a franchise agreement, which may contain terms and conditions substantially different from those in this Agreement, for an initial term equal to the time remaining in the Term of this Agreement as of the date of such transfer or, at Franchisor's discretion, an assumption agreement in lieu of a new franchise agreement, pursuant to which the proposed transferee assumes all obligations of the Franchisee under this Agreement;

13.2.4.3. Franchisee shall pay to Franchisor, together with the application for consent to the Transfer, the transfer fee of $10,000 the receipt of which is a condition precedent to the approval of the Transfer;

13.2.4.4. If permitted by applicable law, the Franchisee/transferor and the transferee shall have executed a general release under oath where required, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its parent, subsidiaries, affiliates and their officers, directors, attorneys, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances arising out of, or connected with, the performance of this Agreement or any other agreement to which the Franchisor and/or the Licensor is a party with the Franchisee;

13.2.4.5. The transferee shall demonstrate to Franchisor's sole satisfaction that it meets all of Franchisor's requirements for becoming a franchisee, including, without limitation, that it meets Franchisor's managerial and business standards then in effect for similarly situated franchisees; possesses a good moral character, business reputation, and satisfactory credit rating; is not a competitor of Franchisor; will comply with all instruction and training requirements of Franchisor and has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise); and

13.2.4.6. The transferee and/or its Designated Representative (as applicable) shall have completed, to Franchisor's satisfaction, the training then required by Franchisor.

13.2.5. If Franchisee or any person or entity holding any direct or indirect interest in Franchisee, this Agreement or the Franchised Business desires to make a Transfer for value, Franchisee shall first notify Franchisor in writing of such intention and offer to sell or transfer such interest to Franchisor upon the terms and conditions set forth in such notice, which shall be at least as favorable as those offered by a bona fide third party, if any (and such notice shall include a copy of any such third party offer), net of any applicable real estate and/or business brokerage commissions, at Franchisor's option. If Franchisor and Franchisee cannot agree within thirty (30) days of such notice on the terms and conditions of such Transfer, or if Franchisor notifies Franchisee that it does not want to acquire such interest, Franchisee may sell or transfer such interest to a bona fide third party; provided that such Transfer is made within one hundred twenty (120) days after the expiration of any offer to Franchisor, that such Transfer is

made at a net price and on terms and conditions no more favorable than those provided to Franchisor or offered in writing by such third party and provided in the notice to Franchisor, that all applicable requirements of this Article 13 are met, and in connection with such Transfer, that the Franchised Business shall continue to be operated pursuant to the System. The failure of Franchisor to exercise this option shall not constitute a waiver of any other provision of this Agreement, including all requirements of this Article 13, with respect to a proposed Transfer. In the event the consideration, terms and/or conditions offered by a third party are such that Franchisor may not reasonably be able or required to furnish the same consideration, terms and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, an independent appraiser shall be designated by Franchisor, and his determination of such reasonable equivalent in case shall be binding upon both Franchisor and Franchisee.

13.3. Upon the death or mental or physical incapacity (as reasonably determined by an independent third party such as a licensed doctor or judicial authority) of any person with any direct or indirect interest in Franchisee and who has managerial responsibility for the operation of the Franchised Business, the executor, administrator, or personal representative of such person shall transfer such person's interest to a third party approved by Franchisor within six (6) months after the death or finding of incapacity. Such transfers shall be subject to the same conditions as any lifetime Transfer under Section 13.2. If the heirs or beneficiaries of any such person are unable to meet all of the conditions in Section 13.2 hereof, Franchisor may terminate this Agreement.

13.4. If Franchisee is an individual, Franchisee may transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' written notice to Franchisor, provided, that:

13.4.1.1. the transferee entity conducts no business other than the operation of the Crushr Business

13.4.1.2. You provide us with all formation documents for the transferee entity, with sufficient documentation detailing all holders of ownership interests in the transferee entity, such as operating agreements, corporate by-laws, stock ledgers, and similar documentation;

13.4.1.3. All persons signing this Agreement as Franchisee own all voting securities of the corporation or limited liability company;

13.4.1.4. All owners of a legal or beneficial interest in the transferee entity provide a personal guaranty of the transferee entity's obligations as the "Franchisee" under this Agreement.

13.4.1.5. You and the transferee entity execute any documents that we require in order to effectuate the transfer, which may include a general release in the form attached to this Agreement; and

13.4.1.6. Franchisor may require Franchisee to pay its reasonable costs associated with completing a transfer for convenience of ownership, but Franchisee shall not be required to pay Franchisor the $10,000 transfer fee set forth in Section 13.2.

14. DEFAULT AND TERMINATION

14.1. Franchisor may terminate this Agreement prior to the expiration of its Term upon the occurrence of any event of default described below.

14.1.1.1. Upon the occurrence of the following events of default, Franchisor may, at its option, and without waiving its rights under this Agreement or any other rights available at law or in equity, including its rights to damages, terminate this Agreement and all of Franchisee's rights hereunder effective immediately upon the date Franchisor gives written notice oftermination:

14.1.1.2. Automatically, without notice or action required by Franchisor, if Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, or, unless otherwise prohibited by law, if a petition in bankruptcy is filed by Franchisee, or such a petition is filed against and consented to by Franchisee or not dismissed within thirty (30) days, or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee, or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed; or if a final judgment in excess of Five Thousand Dollars ($5,000) against Franchisee relating to the Franchised Business remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction);

14.1.1.3. If Franchisee fails to commence operation of the Franchised Business as required by Article 8;

14.1.1.4. If Franchisee makes, or has made, any materially false statement or report to Franchisor in connection with this Agreement or application therefore;

14.1.1.5. If there is any violation of any transfer and assignment provision contained in Article 13 of this Agreement;

14.1.1.6. If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations of this Agreement during any twelve (12) month period;

14.1.1.7. If Franchisee or its Designated Owner or Designated Representative fails to complete to Franchisor's reasonable satisfaction any of the training required pursuant to Section 8.4 of this Agreement;

14.1.1.8. If Franchisee violates any covenant of confidentiality or non-disclosure contained in Article 9 of this Agreement or otherwise discloses, uses, permits the use of, copies, duplicates, records, transmits or otherwise reproduces any manuals, materials, goods or information created or used by Franchisor and designated for confidential use within the System without Franchisor's prior approval;

14.1.1.9. If Franchisee or any person controlling, controlled by or under common control with Franchisee, or any principal officer or employee of Franchisee or any such person, owning an interest in the Franchised Business is convicted of a felony, or any other crime

or offense that is reasonably likely, in the sole opinion of Franchisor, to affect adversely the System, the Licensed Marks, the Mobile Pulverizer or the goodwill associated therewith.

14.1.1.10. If Franchisee or any guarantor(s) hereof default on any other agreement with Franchisor, or any affiliate or parent corporation of Franchisor, and such default is not cured in accordance with the terms of such other agreement;

14.1.1.11. If Franchisee fails to perform or breaches any covenant, obligation, term, condition, warranty or certification in this Agreement related to the Licensed Marks, including misuse of the Licensed Marks.

14.1.2. Upon the occurrence of the following events of default, Franchisor may, at its option, and without waiving its rights hereunder or any other rights available at law or in equity, including its rights to damages, terminate this Agreement and all of Franchisee's rights hereunder effective immediately upon the occurrence of, or the lapse of the specified period following, an event of default:

14.1.2.1. If Franchisee fails to pay any financial obligation pursuant to this Agreement (a) within five (5) days of the date on which Franchisor gives notice of such delinquency, (b) immediately upon written notice if such payment has not been made within sixty (60) days after the date on which it is required to be paid, or (c) immediately upon written notice if Franchisee is determined to have under- reported its Gross Sales during any month by two percent (2%) or more of the actual Gross Sales during such month on two (2) or more occasions during the Term of this Agreement, whether or not Franchisee subsequently rectifies such deficiency;

14.1.2.2. If Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by an appropriate authority to comply with any law or regulation applicable to the operation of the Franchised Business;

14.1.2.3. If Franchisee fails to perform or breaches any covenant, obligation, term, condition, warranty or certification herein or fails to operate the Franchised Business as specified by Franchisor in the Operations Manual, fails to pay promptly any undisputed invoices from Franchisor or suppliers, and fails to cure such non- compliance or deficiency within thirty (30) days (or such longer term as granted by Franchisor) after Franchisor's written notice thereof;

14.1.2.4. If Franchisee abandons or ceases to operate all or any part of the Franchised Business conducted under this Agreement for seventy- two (72) hours or longer (except as otherwise provided herein) or defaults under any mortgage, deed of trust or lease with Franchisor or any third party covering the Franchised Business or the Premises, fails to cure such abandonment or default and Franchisor or such third party treats such act or omission as a default, and Franchisee fails to cure such default to the satisfaction of Franchisor or such third party within any applicable cure period granted Franchisee by Franchisor or such third party.

14.1.2.5. If Franchisor determines that the Mobile Pulverizer(s) being operated by Franchisee are not sufficiently servicing the customers in Franchisee's Protected Territory, Franchisor or its affiliate, after providing notice and an opportunity to cure such default, shall have the right, but not the obligation, to operate a Mobile Pulverizer(s) in the Protected

Territory to satisfy such demands. This right shall be in addition to Franchisor's right to terminate this Agreement, and not in lieu of such right, or any other rights Franchisor may have against Franchisee, upon a failure to cure any default within the time provided by Franchisor. In the event that Franchisor or its affiliate exercises the rights described in this paragraph, Franchisee must reimburse Franchisor for all reasonable costs and overhead, if any, incurred in connection with its operation of the Mobile Pulverizer(s), including without limitation, costs of personnel for supervising and staffing, travel, and lodging.

15. POST TERM OBLIGATIONS

15.1. Upon the expiration or termination of this Agreement, Franchisee shall immediately take the following actions (collectively, the "Post-Termination Obligations"):

15.1.1. Cease operating the Franchised Business under the System. Franchisee shall not thereafter, directly or indirectly, represent to the public that the former franchised business is operated or in any way connected with Franchisor or the System or hold itself out as a present franchisee of Franchisor;

15.1.2. Pay all sums owing to Franchisor, including those invoiced to Franchisee after this Agreement expires or is terminated. Upon termination of this Agreement pursuant to any default by Franchisee, such sums shall include, but not be limited to, actual and consequential damages, costs and expenses (including reasonable attorneys' fees) incurred by Franchisor as a result of the termination.

15.1.3. Return to Franchisor the Operations Manual and all trade secret and other confidential materials, equipment and other property owned by Franchisor, and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law;

15.1.4. Take such action as may be required by Franchisor to transfer and assign to Franchisor or its designee or to disconnect and forward all telephone numbers, e-mail, internet and other electronic references and advertisements, and all trade and similar name registrations and business licenses, and to cancel any interest which Franchisee may have in the same; and

15.1.5. Cease to use any methods, procedures or techniques associated with the System; cease to use the Licensed Marks and any other marks and indicia of operation associated with the System, and any marks confusingly similar thereto, and remove all trade dress, physical characteristics, color combinations and other indications of operation under the System or with the Installed Vehicle. Without limiting the generality of the foregoing, Franchisee agrees that in the event of any termination or expiration of this Agreement, it will de-identify the so as to make it not confusingly similar to Franchisor's standardized and recognizable indicia or colors. If Franchisee fails to make such alterations within fifteen (15) days after termination or expiration of this Agreement, Franchisee agrees that Franchisor or its designated agents may enter upon the Premises at any time to make such alterations, at Franchisee's sole risk and expense, without liability for trespass.

15.2. The obligations set forth in this Article 15 shall survive the expiration or termination of this Agreement.

16. INSURANCE

16.1. Franchisee shall, at its expense and no later than the beginning of operations of the Franchised Business as provided in Article 8, procure and maintain in full force and effect throughout the Term of this Agreement the types of insurance enumerated in the Operations Manual or otherwise in writing which shall be in such amounts as may from time to time be required by Franchisor and which shall designate Franchisor as an additional named insured, including, but not limited to, the following:

16.1.1. Employer's liability and workers' compensation insurance as prescribed by law; and

16.1.2. Comprehensive general liability insurance covering the operation of the Franchised Business, including owned and non-owned motor vehicle insurance and products liability insurance.

16.2. Franchisee shall make timely delivery of certificates of all required insurance to Franchisor. Franchisee shall not cancel or materially alter any insurance policy required under this Article 16 without providing at least thirty (30) days' prior written notice to Franchisor.

16.3. The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor or Licensor under any indemnity requirement of this Agreement.

16.4. Should Franchisee fail to maintain the required insurance, Franchisor and/or Licensor may elect to maintain coverage for Franchisee and recover from Franchisee the amount of such costs and premiums.

17. TAXES, PERMITS AND INDEBTEDNESS

17.1. Franchisee shall promptly pay when due any and all federal, state and local taxes including without limitation unemployment and sales taxes, levied or assessed with respect to any services or products furnished, used or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business.

17.2. Franchisee shall comply with all federal, state and local laws, rules and regulations and timely obtain any and all permits, certificates and licenses for the full and proper conduct of the Franchised Business.

17.3. Franchisee hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts and obligations incurred in the operation of the Franchised Business.

18. INDEMNIFICATION AND INDEPENDENT CONTRACTOR

18.1. Franchisee agrees to protect, defend, indemnify, and hold Franchisor and Licensor, and their respective members, managers, directors, officers, agents, attorneys and shareholders

(jointly and severally, "Indemnitees") harmless and promptly to reimburse Indemnitees for, from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, consequently, directly or indirectly incurred (including without limitation attorneys' and accountants' fees) as a result of, arising out of, or connected with the operation of the Franchised Business, including the operation of the Installed Vehicle and Mobile Pulverizer and use of the Licensed Marks. Franchisee also expressly indemnifies the Indemnitees for all costs incurred related to Franchisee's default under this Agreement or the License Agreement or relating to the Mobile Pulverizer.

18.2. In all dealings with third parties including, without limitation, employees, suppliers and customers, Franchisee shall disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties hereto to create a fiduciary relationship between them nor to constitute Franchisee an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of Franchisor for any purpose whatsoever. It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, warranty or representation or to create any obligation on behalf of Franchisor.

19. WRITTEN APPROVALS, WAIVERS, FORMS OF AGREEMENT AND AMENDMENT

19.1. Whenever this Agreement requires, or Franchisee desires to obtain, Franchisor's approval, Franchisee shall make a timely written request. Unless a different time period is specified in this Agreement, Franchisor shall use commercially reasonable efforts to respond with its approval or disapproval within sixty (60) days of receipt of such request. If Franchisor has not specifically approved a request within such sixty (60)-day period, such failure to respond shall not be deemed approval of any such request.

19.2. No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement. No waiver or approval by Franchisor of any particular breach or default by Franchisee, nor any delay, forbearance or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder, nor acceptance by Franchisor of any payments due hereunder, shall be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant or condition of this Agreement.

19.3. No warranty or representation is made by Franchisor that all System franchise agreements heretofore or hereafter issued by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its reasonable business judgment, due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other System franchisees in a non-uniform manner, unless otherwise required by this Agreement or by law.

19.4. No amendment, change or variance from this Agreement shall be binding upon either Franchisor or Franchisee except by mutual written agreement. If an amendment of this

Agreement is executed at Franchisee's request, any legal fees or costs of preparation in connection therewith shall, at the option of Franchisor, be paid by Franchisee.

20. ENFORCEMENT

20.1. In order to ensure compliance with this Agreement and to enable Franchisor to carry out its obligations under this Agreement, Franchisee agrees that Franchisor and its designated agents shall be permitted, with or without notice, full and complete access during business hours to inspect the Premises and all records thereof including, but not limited to, records relating to Franchisee's customers, suppliers, employees and agents. Franchisee shall cooperate fully with Franchisor and its designated agents requesting such access.

20.2. Franchisor or its designee shall be entitled to obtain, without bond, declarations, temporary and permanent injunctions, and/or orders of specific performance, to enforce the provisions of this Agreement relating to Franchisee's use of the Licensed Marks, the Post-Termination Obligations of Franchisee upon termination or expiration of this Agreement, the protection of Franchisor's confidential and proprietary information (including without limitation the Operations Manual) and the provisions of this Agreement relating to any unauthorized assignment or transfer of the Franchised Business and ownership interests in Franchisee, as well as to prohibit any act or omission by Franchisee or its employees which constitutes a violation of any applicable law or regulation, which is dishonest or misleading to prospective or current customers of businesses operated under the System, which constitutes a danger to other franchisees, employees, customers or the public, or which may impair the goodwill associated with the Licensed Marks.

20.3. If Franchisor secures any declaration, injunction or order of specific performance pursuant to Section 20.2 hereof, if any provision of this Agreement is enforced at any time by Franchisor or if any amounts due from Franchisee to Franchisor are, at any time, collected by or through an attorney at law or collection agency, Franchisee shall be liable to Franchisor for all costs and expenses of enforcement and collection including, but not limited to, court costs, expenses, and reasonable attorneys' fees.

21. NOTICES

21.1. Any notice required to be given hereunder shall be in writing and shall be either mailed by certified mail, return receipt requested or delivered by a recognized courier service, receipt acknowledged. Notices to Franchisee shall be addressed to it at the address listed in Article 1 of this Agreement. Notices to Franchisor shall be addressed to it at the address listed in Article 1 of this Agreement, Attention: K. Scott Dennison. Any notice complying with these provisions shall be deemed to be given three (3) days after mailing, or on the date of receipt, whichever is earlier. Each party shall have the right to designate any other address for such notices by giving notice in the foregoing manner, and in such event all notices to be mailed after receipt of such notice shall be sent to such other address.

22. GOVERNING LAW AND DISPUTE RESOLUTION

22.1. Choice of Law. This Agreement is accepted by Franchisor in the Commonwealth of Kentucky and shall be governed by and construed in accordance with Kentucky law, which laws shall prevail in the event of any conflict. Franchisee irrevocably submits to the jurisdiction of state or

federal court of general jurisdiction in Jefferson County, Kentucky and waives any objection it may have to either jurisdiction or venue of such court.

22.2. Mediation and Arbitration. Any and all disputes arising from or relating to the parties' relationship or this Agreement shall first be subject to mandatory mediation which shall be conducted and completed in Jefferson County, Kentucky within thirty (30) days of written demand therefor. Any disputes not resolved by mandatory mediation shall be resolved by binding arbitration within 120 days of the initial written demand therefor. The arbitration hearing shall be held in Jefferson County, Kentucky pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The arbitration award shall be reviewable only by state or federal courts in or having jurisdiction over Jefferson County, Kentucky only for clear error of fact or law and on any additional statutory grounds for vacationing or reversing an arbitration award. Franchisor shall be entitled to recover its reasonable attorneys' fees and litigation costs and expenses including expert witness fees if it is the substantially prevailing party in any arbitration or litigation relating to this Agreement or the parties' relationship. Nothing contained herein shall preclude any party from commencing a suit in court for temporary or preliminary injunctive relief to prevent irreparable harm pending the arbitration decision, provided that any such suit for temporary or preliminary injunctive relief shall be commenced and maintained exclusively in state or federal courts in or having jurisdiction over Jefferson County, Kentucky.

22.3. Third-Party Beneficiaries. Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Agreement and the mediation and other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by Franchisee.

22.4. Injunctive Relief. Nothing in this Agreement will prevent Franchisor from seeking to obtain injunctive relief, without posting a bond, against threatened conduct that will cause Franchisor loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions. If injunctive relief is granted, Franchisee's only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Franchisee expressly waives all claims for damages Franchisee incurred as a result of the wrongful issuance.

22.5. JURY TRIAL AND CLASS ACTION WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS, WHETHER LITIGATION, MEDIATION, OR ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE AND FRANCHISEE'S PRINCIPALS AND YOU, AND FRANCHISOR OR ITS AFFILIATES OR EMPLOYEES, MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON OR ENTITY.

22.6. Limitation on Action. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against the Franchisor, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

22.7. Franchisee Waiver. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, arbitration, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

22.8. Waiver of Punitive Damages. Franchisee waives to the fullest extent permitted by law any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which it may have against Franchisor, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, Franchisee's recovery shall be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, Franchisee's waiver of any right to claim any consequential damages.

22.9. Costs and Attorney's Fees. If Franchisee is in breach or default of any monetary or non-monetary material obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must pay all reasonable attorneys' fees, court costs and litigation expenses Franchisor incurs. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

23. SEVERABILITY AND CONSTRUCTION

23.1. Should any provision of this Agreement be for any reason held invalid, illegal or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid; and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this paragraph shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents that may be reasonably required to effectuate fully the provisions hereof. Franchisee understands and acknowledges that

Franchisor shall have the right, in its sole discretion, on a temporary or permanent basis, to reduce the scope of any covenant or provision of this Agreement binding upon Franchisee, or any portion hereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable.

23.2. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute one and the same instrument.

23.3. The table of contents, headings and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each section of this Agreement shall be construed independently of any other section or provision of this Agreement.

24. CONFIDENTIALITY

24.1. All terms and provisions of this Agreement shall be kept in strict confidence. The terms and provisions of this Agreement may be revealed only with the written permission of Franchisor or by an order from an arbitrator or court.

25. ACKNOWLEDGEMENTS

25.1. Franchisee hereby acknowledges the following:

25.1.1. FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND UNDERSTANDS AND ACKNOWLEDGES THAT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS MAKING THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON THE BUSINESS ABILITIES AND PARTICIPATION OF FRANCHISEE AND ITS EFFORTS AS AN INDEPENDENT BUSINESS OPERATOR. FRANCHISEE AGREES THAT NO CLAIMS OF SUCCESS OR FAILURE HAVE BEEN MADE TO IT PRIOR TO SIGNING THIS AGREEMENT; AND THAT IT UNDERTAKES ALL THE TERMS AND CONDITIONS OF THIS AGREEMENT. THIS AGREEMENT CONTAINS ALL ORAL AND WRITTEN AGREEMENTS, REPRESENTATIONS AND ARRANGEMENTS BETWEEN THE PARTIES HERETO, AND ANY RIGHTS WHICH THE RESPECTIVE PARTIES HERETO MAY HAVE HAD UNDER ANY OTHER PREVIOUS CONTRACTS ARE HEREBY CANCELLED AND TERMINATED, AND NO REPRESENTATIONS OR WARRANTIES ARE MADE OR IMPLIED, EXCEPT AS SPECIFICALLY SET FORTH HEREIN. THIS AGREEMENT CANNOT BE CHANGED OR TERMINATED ORALLY. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT, OR AS TO THE SUITABILITY OF THE PREMISES FOR THE MOBILE PULVERIZER UNIT AS A SUCCESSFUL LOCATION FOR THE MOBILE PULVERIZER UNIT.

25.1.1.1. FRANCHISEE HAS NO KNOWLEDGE OF ANY REPRESENTATIONS BY FRANCHISOR OR ITS MEMBERS, MANAGERS, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, AGENTS OR SERVANTS, ABOUT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT THAT ARE CONTRARY TO THE TERMS OF THIS AGREEMENT OR THE DOCUMENTS INCORPORATED HEREIN. FRANCHISEE REPRESENTS, AS AN INDUCEMENT TO FRANCHISOR'S ENTRY INTO THIS AGREEMENT, THAT IT HAS MADE NO MISREPRESENTATIONS IN OBTAINING THIS AGREEMENT.

25.1.2. FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR'S APPROVAL OR ACCEPTANCE OF FRANCHISEE'S PREMISES DOES NOT CONSTITUTE RECOMMENDATION OR ENDORSEMENT OF THE LOCATION OF THE MOBILE PULVERIZER, NOR ANY ASSURANCE BY FRANCHISOR THAT THE OPERATION OF A MOBILE PULVERIZER AT THE PREMISES WILL BE SUCCESSFUL OR PROFITABLE.

25.1.3. FRANCHISEE ACKNOWLEDGES THAT IT RECEIVED THE FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT EARLIER OF: (I) FOURTEEN (14) BUSINESS DAYS PRIOR TO THE EARLIER OF THE EXECUTION OF THIS AGREEMENT OR THE PAYMENT OF ANY CONSIDERATION TO THE FRANCHISOR IN CONNECTION WITH THE SALE OF THIS FRANCHISE; OR (II) AT THE APPROPRIATE TIME AS REQUIRED UNDER THE LAWS OF THE STATE WHERE FRANCHISEE WAS DOMICILED AT SUCH TIME OR WHERE THE PROTECTED TERRITORY IS TO BE LOCATED.

25.1.4. FRANCHISEE ACKNOWLEDGES THAT THE FRANCHISOR GAVE COMPLETED COPIES OF THIS AGREEMENT AND ANY RELATED AGREEMENTS TO FRANCHISEE AT LEAST SEVEN (7) BUSINESS DAYS PRIOR TO ACTUAL EXECUTION.

25.1.5. FRANCHISEE ACKNOWLEDGES THAT IT HAS HAD AMPLE OPPORTUNITY TO CONSULT WITH ITS OWN ATTORNEYS, ACCOUNTANTS AND OTHER ADVISORS AND THAT THE ATTORNEYS FOR FRANCHISOR HAVE NOT ADVISED OR REPRESENTED FRANCHISEE WITH RESPECT TO THIS AGREEMENT OR THE RELATIONSHIP THEREBY CREATED.

25.1.6. FRANCHISEE, TOGETHER WITH ITS ADVISERS, HAS SUFFICIENT KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS TO MAKE AN INFORMED INVESTMENT DECISION WITH RESPECT TO FRANCHISED BUSINESS.

25.1.7. FRANCHISEE IS AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OF FRANCHISOR MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT(S), AND CONSEQUENTLY THAT FRANCHISOR'S OBLIGATIONS AND RIGHTS WITH RESPECT TO ITS VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

25.1.8. FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT AND THE ACCOMPANYING GUARANTY OF FRANCHISEE'S UNDERTAKINGS

CONSTITUTE THE ENTIRE AGREEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF. THIS AGREEMENT TERMINATES AND SUPERSEDES ANY PRIOR AGREEMENT BETWEEN THE PARTIES CONCERNING THE SAME SUBJECT MATTER. NOTHING IN THIS OR IN ANY RELATED AGREEMENT IS INTENDED TO DISCLAIM THE REPRESENTATIONS WE MADE IN THE FRANCHISE DISCLOSURE DOCUMENT THAT WE FURNISHED TO YOU.

25.1.9. FRANCHISEE ACKNOWLEDGES THAT SMASH-IT HAS RETAINED CERTAIN RIGHTS UNDER THE SETTLEMENT AGREEMENT, INCLUDING THE RIGHT TO PURCHASE, IMPORT, USE AND SELL MOBILE PULVERIZERS THROUGH SMASH- IT- OWNED OUTLETS. FRANCHISEE ACKNOWLEDGES THAT THE SMASH-IT'S ESTABLISHMENT OF AN OUTLET COULD INFRINGE ON THE FRANCHISEE'S PROTECTED TERRITORY OR CREATE COMPETITION WITH OR NEGATIVELY IMPACT THE PERFORMANCE OF THE FRANCHISED BUSINESS.

25.1.10. FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR'S LICENSE FOR THE PATENT, PURSUANT TO THE SETTLEMENT AGREEMENT, IS ONLY FOR THE LENGTH OF THE LIFE OF THE PATENT. THE PATENT EXPIRES ON JULY 27, 2022. HOWEVER, WE HAVE BEEN ADVISED BY OUR PATENT ATTORNEY THAT, UNDER THE FREEDOM OF USE DOCTRINE, WE AND OUR FRANCHISEES WILL HAVE A PERPETUAL RIGHT TO CONTINUE TO OWN AND OPERATE THE MOBILE PULVERIZERS AS PROVIDED TO YOU AFTER THE EXPIRATION OF THE PATENT ON JULY 27, 2022. FRANCHISEE ACKNOWLEDGES THAT THE LOSS OR REDUCTION OF FRANCHISOR'S RIGHTS UPON EXPIRATION OF THE PATENT COULD SIGNIFICANTLY IMPACT THE SYSTEM AND PERFORMANCE OF THE FRANCHISED BUSINESS.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have duly signed and delivered this Agreement as dated below.

Franchisor:

SMASH BROTHERS, LLC

By: _____

Name: _____

Title: _____

Date: _____

Franchisee:
(*if entity)*

_____
(Entity Name)

By: _____

Name: _____

Title: _____

Date: _____

If individuals:

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

Date:_____

Exhibit A

FRANCHISEE INFORMATION & PROTECTED TERRITORY

1. **Effective Date:** _____

2. **Franchisee's Name(s):** _____

3. **Ownership of Franchise**

If the franchisee is a business entity (as defined in the Agreement), the following persons constitute all of the owners of a legal and/or beneficial interest in the franchisee:

Name	Percentage Ownership
_____	_____%
_____	_____%
_____	_____%

4. **Designated Owner (Section 5.2):** _____

5. **Designated Representative (Section 5.2):** _____

6. **Franchise Fee (Section 6.1): [**Forty-Nine Thousand Five-Hundred U.S. Dollars ($49,500)**]**

7. **Franchisee's Address, Phone, and Email:**

_____

_____

8. **Protected Territory: (**Attach map or list of distinguishing territory features such as list of zip codes**):**

Exhibit B

Guaranty

PERSONAL GUARANTY OF
OWNER/SHAREHOLDER

This Personal Guaranty and Assumption of Obligations (this "Guaranty") is given this ____ day of _____, 20____, by _____.

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement of even date herewith ("Franchise Agreement") by Smash Brothers, LLC ("Franchisor"), a Kentucky limited liability company, and _____, a _____ ("Franchisee"), the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Franchise Agreement and, including any renewal thereof, as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and any documents, agreements, and instruments signed with or in connection with the Area Development Agreement (collectively, the "Franchise Documents"); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

1. acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
2. notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guarantied;
3. protest and notice of default to any party with respect to the indebtedness of non- performance of any obligations hereby guarantied;
4. any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability;
5. any and all other notices and legal or equitable defenses to which the undersigned may be entitled;

The undersigned consents and agrees that:

1. the undersigned's direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Franchisee's obligations;
2. the undersigned shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;
3. this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;
4. such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

5. such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which in any way modify or amend this Guaranty, which shall be continuing and irrevocable during and after the terms of the Franchise Documents, as the same may be amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied.

All capitalized terms when used shall have the meanings ascribed to them in the Franchise Agreement.

This Guaranty shall be governed, construed and interpreted in accordance with the substantive laws of the state where Franchisor has its principal place of business at the time a dispute arises, without giving effect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature as dated below.

GUARANTOR(S)

Signature _____

Print or Type Name _____

Date _____

Signature _____

Print or Type Name _____

Date _____

Exhibit C

General Release

GENERAL RELEASE
FOR RENEWAL OR TRANSFER

This GENERAL RELEASE ("**Release**") effective as dated below by _____ ("**Releasor**"), with reference to the following facts:

The undersigned Releasor is the Franchisee under, and signatory to, that certain Franchise Agreement dated _____, 20___ ("**Franchise Agreement**") by and between Smash Brothers, LLC, a Kentucky limited liability company ("**Franchisor**") and Releasor granting Releasor the right to use the Crushr System and Licensed Marks to operate the Franchised Business subject to the terms provided thereunder.

Releasor agrees that all capitalized terms in this Release will have the meaning that are ascribed to them in the Franchise Agreement.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, RELEASOR AGREES AS FOLLOWS:

1. **General Release**. In consideration of, and as an inducement to, Franchisor's agreement to renew or consent to a transfer of the Franchise Agreement, as applicable, Releasor, for itself and on behalf of its current and former parents, subsidiaries, affiliates and related entities, and its and their respective current and former shareholders, owners, officers, directors, members, managers, attorneys, agents, representatives, employees, predecessors, successors and assigns, all persons acting on its or their behalf or claiming under it or them and all entities in which it or they has(ve) or had an ownership interest (individually, collectively, and in any combination, the "**Releasor Parties**"), hereby (i) releases and forever discharges Franchisor and Licensor, their current and former parents, subsidiaries, affiliates and related entities, and its and their current and former shareholders, members, officers, directors, owners, managers, attorneys, agents, representatives, employees, predecessors, successors and assigns (individually, collectively, and in any combination, the "**Released Parties**"), from any and all claims, debts, rights, demands, obligations, liabilities, actions, causes of action, suits, proceedings, controversies, disputes, agreements, promises, allegations, costs and expenses, of every nature, character or description whatsoever, at law or in equity, whether known or unknown, vested or contingent, suspected or unsuspected or anticipated or unanticipated which any or all of the Releasor Parties now own or have, have ever had, or may ever have, against any or all of the Released Parties arising prior to or as of the date of this Release, and (ii) agrees that none of them willinstitute any litigation or other legal action or proceeding, at law or in equity, against the Released Parties relating to any claim or demand released under this Article 1; provided, however, that this release and covenant not to sue will not apply to any claims that arise under any applicable federal or state franchise laws, except to the extent that such claims may by law be released by this Release. Releasor will take whatever actions are necessary or appropriate to carry out the terms of this release and covenant not to sue upon Franchisor's request. This Article 1 will survive the expiration or termination of this Release.

2. **Waiver of Rights.** This release is intended by Releasor to be a full and unconditional general release, as that phrase is used and commonly interpreted, and to constitute a full, unconditional and final accord and satisfaction, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of Releasor (for itself and all other Releasor Parties) against the Released Parties regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. Releasor, for itself and the other Releasor Parties, hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which they would be entitled, now or at any time hereafter under the statutory or common law of the state where the Franchised Business is located, whether now or hereinafter existing under the laws of the state where the Franchised Business is located, or any other applicable federal and state law with jurisdiction over the parties relationship. Releasor, on its own behalf and on behalf of the other Releasor Parties, expressly waive the provisions of Section 1542 of the Civil Code of the State of California (as well as under any other statutes or common law principles of similar effect whether now or hereinafter existing), which provides:

> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his settlement with the debtor or released party.**

In making this voluntary express waiver, Releasor acknowledges that claims or facts in addition to or different from those which are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is Releasor's intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts.

3. **Release Not Admission.** Releasor understands and agrees that the giving or acceptance of this Release and the agreements contained herein will not constitute or be construed as an admission of any liability by Franchisor or Licensor, or an admission of the validity of any claims made by or against Franchisor or Licensor.

4. **Authority of Parties**. Each person executing this Release on behalf of a party hereto warrants and represents that he or she is duly authorized to execute this Release on behalf of such party.

5. **No Prior Assignments.** Releasor represents and warrants that Releasor has not previously assigned or transferred, or attempted to assign or transfer, to any third party any of the Claims which are the subject of this Release, all of such Claims being released.

6. **Incorporation by Reference.** The parties hereby incorporate the recitals of this Release as part of the substantive provisions of this Agreement.

7. **Controlling Law.** This Release will be governed, construed and interpreted in accordance with the substantive laws of the state where the Franchised Business is located.

IN WITNESS WHEREOF, Releasor has executed this Release on the date shown below.

Releasor:

By: _____

Name: _____

Title: _____

Date: _____

GENERAL RELEASE
RENEWAL OR TRANSFER

(for Owner)

This GENERAL RELEASE ("**Release**") is made this ____ day of _____, 20____, by _____ ("**Releasor**"), with reference to the following facts:

The undersigned Releasor is an owner of [INSERT LEGAL ENTITY] ("**Franchisee**"). Franchisee is a signatory to that certain Franchise Agreement dated _____, 20____, ("**Franchise Agreement**") by and between Smash Brothers, LLC a Kentucky limited liability company ("**Franchisor**"), and Franchisee. The Franchise Agreement grants Franchisee the right to use the Crushr System and Licensed Marks to operate a Franchised Business subject to the terms provided thereunder. The Releasor is subject to certain obligations in the Franchise Agreement.

Releasor agrees that all capitalized terms in this Release will have the meanings that are ascribed to them in the Franchise Agreement.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, RELEASOR AGREES AS FOLLOWS:

1. General Release. In consideration of, and as an inducement to, Franchisor's agreement to renew or consent to a transfer of the Franchise Agreement (as applicable), Releasor, for himself or herself, individually and on behalf of his or her past and present agents, representatives, servants, employees, guardians, legal representatives, successors and assigns, heirs, executors, administrators, attorneys, all persons acting on his or her behalf or claiming under him or her, and all entities in which he or she has or had an ownership interest (individually, collectively, and in any combination, the "**Releasor Parties**"), hereby (i) releases and forever discharges Franchisor and Licensor, their current and former parents, subsidiaries, affiliates and related entities, and its and their current and former shareholders, members, officers, directors, owners, managers, attorneys, agents, representatives, employees, predecessors, successors and assigns (individually, collectively, and in any combination, the "**Released Parties**"), from any and all claims, debts, rights, demands, obligations, liabilities, actions, causes of action, suits, proceedings, controversies, disputes, agreements, promises, allegations, costs and expenses, of every nature, character or description whatsoever, at law or in equity, whether known or unknown, vested or contingent, suspected or unsuspected or anticipated or unanticipated which any or all of the Releasor Parties now own or have, have ever had, or may ever have, against any or all of the Released Parties arising prior to or as of the date of this Release, and (ii) agrees that none of them will institute any litigation or other legal action or proceeding, at law or in equity, against the Released Parties relating to any claim or demand released under this **Article 1**; provided, however, that this release and covenant not to sue will not apply to any claims that arise under any applicable federal or state franchise laws, except to the extent that such claims may by law be released by this Release. Releasor will take whatever actions are necessary or appropriate to carry out the terms of

this release and covenant not to sue upon Franchisor's request. This Article 1 will survive the expiration or termination of this Release.

2. Waiver of Rights. This release is intended by Releasor to be a full and unconditional general release, as that phrase is used and commonly interpreted, and to constitute a full, unconditional and final accord and satisfaction, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of Releasor (for itself and all other Releasor Parties) against the Released Parties regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. Releasor, for himself or herself and the other Releasor Parties, hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which they would be entitled, now or at any time hereafter under the statutory or common law of the state where the Franchised Business is located, whether now or hereinafter existing under the laws of the state where the Franchised Business is located, or any other applicable federal and state law with jurisdiction over the parties relationship. Releasor, on his or her own behalf and on behalf of the other Releasor Parties, expressly waives the provisions of Section 1542 of the Civil Code of the State of California (as well as under any other statutes or common law principles of similar effect whether now or hereinafter existing), which provides:

> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his settlement with the debtor or released party.**

In making this voluntary express waiver, Releasor acknowledges that claims or facts in addition to or different from those which are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is Releasor's intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts.

3. Release Not Admission. Releasor understands and agrees that the giving or acceptance of this Release and the agreements contained herein will not constitute or be construed as an admission of any liability by Franchisor or Licensor, or an admission of the validity of any claims made by or against Franchisor or Licensor.

4. Authority of Parties. Each person executing this Release on behalf of a party hereto warrants and represents that he or she is duly authorized to execute this Release on behalf of such party.

5. No Prior Assignments. Releasor represents and warrants that Releasor has not previously assigned or transferred, or attempted to assign or transfer, to any third party any of the Claims which are the subject of this Release, all of such Claims being released.

6. Incorporation by Reference. The parties hereby incorporate the recitals of this Release as part of the substantive provisions of this Agreement.

7. Controlling Law. This Release will be governed, construed and interpreted in accordance with the substantive laws of the state where the Franchised Business is located.

IN WITNESS WHEREOF, Releasor has executed this Release on the date first shown above.

Releasor:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

between

SMASH BROTHERS, LLC
d/b/a Crushr®
and

_____

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Appendix A – Franchisee-Specific Terms
Appendix B – Payment and Performance Guarantee

SMASH BROTHERS, LLC d/b/a Crushr®

AREA DEVELOPMENT AGREEMENT

THIS AGREEMENT (this **"Agreement"**) is made and entered into as of the date set forth on Appendix A of this Agreement (the **"Effective Date"**) (Appendix A and all appendices and schedules attached to this Agreement are hereby incorporated by this reference) between Smash Brothers, LLC, a Kentucky limited liability company doing business as Crushr® ("**Franchisor**," "**we**," "**us**" or "**our**") and the person or entity identified on Appendix A as the franchisee (**"Franchisee"** or "**you**") with its principal place of business as set forth on Appendix A.

RECITALS

A. We and you have entered into a certain Franchise Agreement dated the same date as this Agreement (the **"Initial Franchise Agreement"**), in which we have granted you the right to establish and operate one Crushr business within the protected territory set forth in the Initial Franchise Agreement (a **"Crushr Business"**).

B. We desire to grant to you the exclusive right to establish and operate a specified number of Crushr Businesses within a specified geographical area in accordance with a development schedule.

C. If you are a corporation, limited liability company, partnership, or other entity (collectively, an **"Entity"**), all of your owners of a legal and/or beneficial interest in the Entity (the **"Owners"**) are listed on Appendix A of this Agreement.

D. You desire to establish and operate additional Crushr Businesses upon the terms and conditions contained in our then-current standard franchise agreements (a **"Franchise Agreement,"**).

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant of Development Rights and Development Area.

Subject to the terms and conditions of this Agreement, we grant to you the right, and you undertake the obligation, to establish and operate in the area designated on Appendix A to this Agreement (the **"Development Area"**) the number of Crushr Businesses specified in the development schedule in Appendix A (the **"Development Schedule"**). This Agreement does not grant you any right to use the Marks (as defined in your Initial Franchise Agreement) or the System (as defined in your Initial Franchise Agreement). Rights to use the Marks and the System are granted only by the Franchise Agreements.

2. Fees.

Upon execution of this Agreement, you must pay us a development fee in the amount specified on Appendix A (the **"Development Fee"**), which is based on the initial franchise fee you must pay for each Crushr Business that you develop (the **"Franchise Fee,"** which is also specified on Appendix A). The Development Fee will be credited towards 100% of the Franchise Fee due under the Franchise Agreement for each Crushr Business that you develop pursuant to this Agreement, including the Initial Franchise

Agreement. The Development Fee is fully earned by us when we and you sign this Agreement and is non-refundable, even if you do not comply with the Development Schedule.

3. Development Schedule.

3.1 Deadlines. You must enter into Franchise Agreements and open and operate Crushr Businesses in accordance with the deadlines set forth in the Development Schedule. By each **"Opening Deadline"** specified in the Development Schedule, you must have the specified number of Crushr Businesses open and operating. For each additional Crushr Business you are required to open, you will execute our then-current form of Franchise Agreement no later than three (3) business days after we notify you that an installed vehicle with a Mobile Pulverizer is available for shipment to you for the particular Crushr Business. Prior to opening additional Crushr Businesses in your Development Area you must: (i) possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Crushr Business in our reasonable judgment; (ii) be in full compliance with all brand requirements at any existing Crushr Businesses you operate; and (iii) be in compliance with any Franchise Agreement or any other agreement entered into with us.

3.2 Damaged Mobile Pulverizers. If a Mobile Pulverizer is destroyed or damaged by any cause beyond your control such that it may no longer continue to be utilized for the operation of a particular Crushr Business, you must immediately give us notice of such destruction or damage (**"Destruction Event"**). You must diligently work to repair and restore the Mobile Pulverizer as soon as possible to resume operation of your Crushr Business. If a Crushr Business is closed due to a Destruction Event, the Crushr Business will continue to be deemed "in operation" for the purpose of this Agreement for up to 30 days after the Destruction Event occurs. If a Crusher Business (i) is closed in a manner other than those described in this Section 3.2 or as otherwise agreed by us in writing or (ii) fails to reopen within 30 days after a Destruction Event, then we may exercise our rights under Section 6.2 (Our Remedies). In the event a Mobile Pulverizer is completely destroyed or otherwise incapable of being repaired following a Destruction Event, we will not exercise the remedies set forth under Section 6.2 *provided, that* (a) within the 30 days after the Destruction Event you have made arrangements with us or our designated supplier to obtain a new Mobile Pulverizer for use in your Crushr Business; and (b) you are open and operating your Crushr Business in the protected territory within ninety (90) days of the Destruction Event.

4. Development Area.

4.1 Development Area. Except as provided in this Section 4.1, while this Agreement is in effect, provided that you open and operate the Crushr Businesses in accordance with the Development Schedule and the minimum number of Crushr Businesses that you have open and operating in the Development Area at any given time is not less than the minimum required pursuant to the Development Schedule, we will not operate, or license any person other than you to operate, a Crushr Business under the Marks (as defined in your Initial Franchise Agreement) and the System (as defined in your Initial Franchise Agreement) within the Development Area. Each Crushr Business you open will be granted a protected territory as set forth in the individual Franchise Agreement for that Crushr Business. This Agreement does not give you the right open or operate in any portions of the Development Area until you have signed a new Franchise Agreement which includes that portion of the Development Area as your protected territory.

4.2 No Other Restriction On Us. Except as expressly provided in Section 4.1 or any other agreement between the parties, we and our affiliates retain the right, in our sole discretion, to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your Crushr Business. For example, we and our affiliates have the right to:

(a) Establish or license franchises and/or company-owned Crushr or other facilities or businesses offering similar or identical products, services, and classes and using the System or elements of the System (i) under the Marks anywhere outside of the Development Area or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Development Area;

(b) Sell or offer, or license others to sell or offer, any products or services using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Development Area;

(c) Advertise, or authorize others to advertise anywhere, using the Marks;

(d) Acquire, be acquired by, or merge with other companies with existing mobile commercial trash compacting, businesses, and/or Crushr Businesses anywhere (including inside or outside of the Development Area) and, even if such businesses are located in the Development Area, (i) convert the other businesses to the Crushr® name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Crusher Businesses to such other name; and

(e) Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

5. Term.

This Agreement expires at midnight on the last Opening Deadline date listed on the Development Schedule, unless this Agreement is terminated sooner as provided in other sections of this Agreement.

6. Termination.

6.1 Events of Default. Any one or more of the following constitutes an **"Event of Default"** under this Agreement:

(a) You fail to have open and operating the minimum number of Crushr Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule;

(b) An Event of Default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement; or

(c) You breach or otherwise fail to comply fully with any other provision contained in this Agreement.

6.2 Our Remedies. If any Event of Default occurs under Section 6.1, we may, at our sole election: (i) declare this Agreement and any and all other rights granted to you under this Agreement to be immediately terminated and of no further force or effect; (ii) terminate any exclusive or territorial rights that you may have within the Development Area or otherwise under this Agreement; and/or (iii) exercise any other remedy we may have in law or equity as a result of an Event of Default hereunder. Upon termination of this Agreement for any other reason whatsoever, we will retain the Development Fee and you will not be relieved of any of your obligations, debts, or liabilities hereunder, including without limitation any debts, obligations, or liabilities which have accrued prior to such termination. All rights and remedies of the parties hereto shall be cumulative and not alternative, in addition to and not exclusive of

any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement. The rights and remedies of the parties hereto shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. Notwithstanding anything to the contrary herein, a termination of this Agreement resulting from your failure to open and thereafter operate Crushr Businesses in accordance with the Development Schedule will not, in itself, constitute cause for us to terminate any previously executed Franchise Agreement in effect at the time of such termination.

7. Assignment; Our Right of First Refusal.

7.1 Rights Personal to You. This Agreement and the rights granted to you under this Agreement are personal to you and neither this Agreement, nor any of the rights granted to you hereunder nor any controlling equity interest in you may be voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, assigned or otherwise transferred, given away, or encumbered by you without our prior written approval, which we may grant or withhold for any or no reason.

7.2 Our Right of First Refusal.

(a) If you receive, and desire to accept, from a third party a bona fide offer to transfer any of your rights in this Agreement, you shall promptly notify us in writing and send us an executed copy of the contract of transfer. We shall have the right and option, exercisable within thirty (30) days after actual receipt of such notification or of the executed contract of transfer which shall describe the terms of the offer, to send written notice to you that we intend to purchase your interest on the same terms and conditions offered by the third party.

(b) Closing on the purchase must occur within sixty (60) days from the date of notice by us to you of our election to purchase. If we elect not to accept the offer within the thirty (30) day period, you shall have a period not to exceed sixty (60) days to complete the transfer subject to our approval of the third party transferee of your rights, which may be withheld in our sole discretion. Any material change in the terms of any offer before closing shall constitute a new offer subject to the same rights of first refusal by us as in the case of an initial offer.

(c) Our failure or refusal to exercise the option afforded by this Section 7 shall not constitute a waiver of any other provision of this Agreement.

(d) If the offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, we may elect to purchase the interest proposed to be sold for the reasonable cash equivalent, or any publicly-traded securities, including its own, or intangible benefits similar to those being offered. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the offer, then such amount shall be determined by an independent appraiser designated by us, and such appraiser's determination shall be binding.

7.3 Our Rights to Assign Unrestricted. We may assign this Agreement or any ownership interests in us without restriction.

8. Incorporation of Other Terms.

Section 12 (Covenants), Section 15 (Post Term Obligations), Section 18 (Indemnification and Independent Contractor), Section 19 (Written Approval, Waivers, Forms of Agreement and Amendment), Section 20 (Enforcement), Section 21 (Notices) Section 22 (Governing Law and Dispute Resolution), Section 23 (Severability and Construction), Section 24 (Confidentiality), and Section 25 (Acknowledgements) of the Initial Franchise Agreement are incorporated by reference in this Agreement and will govern all aspects of our relationship and the construction of this Agreement as if fully restated within the text of this Agreement.

9. Miscellaneous. Capitalized terms used and not otherwise defined in this Agreement shall have the meanings set forth in the Initial Franchise Agreement. This Agreement, together with the Initial Franchise Agreement, supersedes all prior agreements and understandings, whether oral and written, among the parties relating to its subject matter, and there are no oral or other written understandings, representations, or agreements among the parties relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representations that we made in the most recent Franchise Disclosure Document that we delivered to you or your representatives. This Agreement shall not be binding on either party until it is executed by both parties. This Agreement may be signed in multiple counterparts, but all such counterparts together shall be considered one and the same instrument. The provisions of this Agreement may be amended or modified only by written agreement signed by the party to be bound.

[The remainder of this page intentionally left blank. Signature page follows]

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR
SMASH BROTHERS, LLC
d/b/a CRUSHR
By:_____

Name:_____

Title:_____

Date:_____

FRANCHISEE
(IF ENTITY):

_____
[Name]

By:_____

Name:_____

Title:_____

Date:_____

(IF INDIVIDUALS):

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

APPENDIX A
TO THE
DEVELOPMENT AGREEMENT

FRANCHISEE-SPECIFIC TERMS

1. **Effective Date (First Paragraph):** _____

2. **Franchisee's Name:** _____

3. **Franchisee's State of Organization** *(if applicable):* _____

4. **Development Area (Section 1):**

   [provide list of counties or zip codes which make up the Development Area] [attach map if necessary]

5. **Total Development Fee (Section 2):** $_____ .

6. **Franchise Fee for each Crushr Business enter developed pursuant to this Development Agreement (Section 2):** $_____

7. **Development Schedule (Section 3)**: You agree to establish and operate a total of _____ Crushr Businesses within the Development Area during the term of this Agreement. The Crushr Businesses must be open and operating in accordance with the following Development Schedule:

MINIMUM NUMBER OF CRUSHR BUSINESSES The Minimum Number of Crushr Businesses Open and Operating by Each Opening Deadline	**OPENING DEADLINE** Deadline for Having the Minimum Number of Crushr Businesses Open and Operating
1	_____, 20___
2	_____, 20___
3	_____, 20___
4	_____, 20___
5	_____, 20___
6	_____, 20___
7	_____, 20___
8	_____, 20___
9	_____, 20___
10	_____, 20___
	_____, 20___ (the Expiration Date of the Agreement)

8. **Ownership of Franchisee (Recital C)**: If the franchisee is an Entity, the following persons constitute all of the owners of a legal and/or beneficial interest in the franchisee:

Name	Percentage Ownership
_____	_____%
_____	_____%
_____	_____%
_____	_____%

9. **Other Terms:**

Signature Page for Appendix A (Franchisee-Specific Terms)

FRANCHISOR
SMASH BROTHERS, LLC
d/b/a Crushr
By:_____

Name:_____

Title:_____

Date:_____

FRANCHISEE
(IF ENTITY):

_____
[Name]

By:_____

Name:_____

Title:_____

Date:_____

(IF INDIVIDUALS):

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

APPENDIX B
TO THE
DEVELOPMENT AGREEMENT

PERSONAL GUARANTY OF
OWNER/SHAREHOLDER

This Personal Guaranty and Assumption of Obligations (this "Guaranty") is given this ____ day of _____, 20____, by _____.

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement of even date herewith ("Agreement") by Smash Brothers, LLC ("Franchisor"), a Kentucky limited liability company, and _____, a _____ ("Franchisee"), the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Agreement and, including any renewal thereof, as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and any documents, agreements, and instruments signed with or in connection with the Agreement (collectively, the "Franchise Documents"); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

1. acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
2. notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guarantied;
3. protest and notice of default to any party with respect to the indebtedness of non- performance of any obligations hereby guarantied;
4. any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability;
5. any and all other notices and legal or equitable defenses to which the undersigned may be entitled;

The undersigned consents and agrees that:

1. the undersigned's direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Franchisee's obligations;
2. the undersigned shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;
3. this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;
4. such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

5. such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which in any way modify or amend this Guaranty, which shall be continuing and irrevocable during and after the terms of the Franchise Documents, as the same may be amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied.

All capitalized terms when used shall have the meanings ascribed to them in the Area Development Agreement, or Franchise Agreement.

This Guaranty shall be governed, construed and interpreted in accordance with the substantive laws of the state where Franchisor has its principal place of business at the time a dispute arises, without giving effect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature as dated below.

GUARANTOR(S)

Signature _____

Print or Type Name _____

Date _____

Signature _____

Print or Type Name _____

Date _____

EXHIBIT D –

STATE SPECIFIC ADDENDA

(Attached)

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

OUR WEBSITE (www.dumpstercrusher.com) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT: www.dfpi.ca.gov

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.

Each owner of the franchise is required to execute a personal guaranty. Doing so could jeopardize the marital assets of non-owner spouses domiciled in community property states such as California.

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

ITEM 3 – LITIGATION

1. Neither the Franchisor, nor any person identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange

ITEM 6 – OTHER FEES

1. The maximum interest allowed by law in California is 10% annually.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

2. The Franchise Agreement provides for termination upon bankruptcy, this provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq).

3. The Franchise Agreement and the Development Agreement contain provisions requiring application of the laws of Kentucky. This provision may not be enforceable under California law.

4. The Franchise Agreement and the Development Agreement require venue to be limited to Kentucky. This provision may not be enforceable under California law.

5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination or non-renewal of the franchise. This provision may not be enforceable under California law.

6. The franchise agreement may require the franchisee to execute a general release of claims upon execution of the franchise agreement. California corporations code section 31512 voids a waiver of your rights under the franchise investment law (California Corporations Code sections 31000 through

31516). Business and professions code section 20010 voids a waiver of your rights under the franchise relations act (business and professions code sections 20000 through 20043).

7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations before we ask you to consider a material modification of your Franchise Agreement or the Development Agreement.

8. The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.

9. The Franchise Agreement and Area Development Agreement require binding arbitration. The arbitration will occur in Kentucky. If we are the substantially prevailing party, we will be entitled to recover reasonable attorney's fees and litigations costs and expenses in connection with the arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

Illinois law governs the Disclosure Document and Franchise Agreement(s).

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

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois 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.

For franchises and franchisees/developers subject to the Illinois Franchise Disclosure Act, the following information replaces, supplements, and/or otherwise amends, as the case may be, the corresponding disclosures in the main body of the text of the Smash Brothers, LLC d/b/a Crushr® Franchise Disclosure Document:

Item 5 – Initial Fees

All initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

INDIANA ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The Franchise Agreement and Development Agreement will be governed by Indiana law, Venue for litigation will not be limited to a venue outside of the State of Indiana, as specified in the Franchise Agreement and Development Agreement.

2. The prohibition by Indiana Code 23-2-2.7-1 (7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede any conflicting provisions of the Franchise Agreement and the Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

3. No release language set forth in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

4. The post-termination non-competition covenants set forth in the Franchise Agreement and Development Agreement shall be limited in time to a maximum of three (3) years and in geographic scope to the designated territory granted by the Agreement.

5. Nothing in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede any conflicting choice of law provisions set forth herein if such provision is in conflict with Indiana law.

6. You will not be required to indemnify us and the other Indemnities for any liability caused by your proper reliance on or use of procedures or materials provided by us or caused by our negligence.

7. If we receive any payments related to purchases from you that we do not pass on in full to the supplier, we will promptly account for the amount of the payment that we retained and we will transmit the retained amount to you.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

For franchises and franchisees/developers subject to the Maryland Franchise Registration and Disclosure Law, the following information replaces, supplements, and/or otherwise amends, as the case may be, the corresponding disclosures in the main body of the text of the Smash Brothers, LLC d/b/a Crushr® Franchise Disclosure Document:

Item 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. Any general release required as a condition of renewal, sale and/or assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the franchise.

3. The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MICHIGAN FRANCHISE INVESTMENT LAW

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 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, logotype, advertising of 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 or 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 obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

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 THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN.: FRANCHISE, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

INFORMATION REQUIRED BY THE STATE OF MINNESOTA

Notwithstanding anything to the contrary set forth in the Disclosure Document, the Franchise Agreement, or the Development Agreement, the following provisions will supersede and apply:

1. We will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the same.

2. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

3. No release language set forth in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

4. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement or Development Agreement.

5. Under the terms of the Franchise Agreement and Development Agreement, as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System Marks, or Proprietary Materials during or after the period of the Agreements, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT
NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE 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 1 Rev. March 17, 2021 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" section of ltem 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 ltem 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" section of ltem 17(v), titled **"Choice of forum",** and Item l 7(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 DISCLOSURE DOCUMENT

In North Dakota, the Disclosure Document is amended as follows to conform to North Dakota law:

1. Item 5 **Initial Fees**. All initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

2. Item 17(c) "**Requirements for Franchisee to Renew or Extend**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement which requires the franchisee to sign a general release upon renewal of the Franchise Agreement is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

3. Item 17(r) "**Non-competition Covenants**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement restricting competition is contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust or inequitable within the intent of Section 51-09-09 of the North Dakota Franchise Investment Law".

4. Item 17(u) "**Dispute Resolution**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement which provides that the parties agree to an arbitration or mediation of disputes which place at a location that is remote from the site of Franchisee's business is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

5. Item 17(u) "**Dispute Resolution**" of the Disclosure Document is amended to provide as follows: "Any provision of the Franchise Agreement which requires the franchisee to consent to a waiver of exemplary and punitive damages has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

4. Item 17(v) "**Venue**" of the Disclosure Document is amended to provide as follows: "Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota."

5. Item 17(w) "**Governing Law**" is amended to provide as follows: "Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Rhode Island.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

§19-28.1.-14 of the Rhode Island Franchise Investment Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

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

Additional Disclosure: The following statements are added to Item 17

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

INFORMATION REQUIRED BY THE STATE OF WASHINGTON

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.

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

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	FRANCHISOR:
_____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

INDIANA ADDENDUM TO FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The Franchise Agreement and Development Agreement will be governed by Indiana law, Venue for litigation will not be limited to a venue outside of the State of Indiana, as specified in the Franchise Agreement and Development Agreement.

2. The prohibition by Indiana Code 23-2-2.7-1 (7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede any conflicting provisions of the Franchise Agreement and the Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

3. No release language set forth in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

4. The post-termination non-competition covenants set forth in the Franchise Agreement and Development Agreement shall be limited in time to a maximum of three (3) years and in geographic scope to the designated territory granted by the Agreement.

5. Nothing in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede any conflicting choice of law provisions set forth herein if such provision is in conflict with Indiana law.

6. You will not be required to indemnify us and the other Indemnities for any liability caused by your proper reliance on or use of procedures or materials provided by us or caused by our negligence.

7. If we receive any payments related to purchases from you that we do not pass on in full to the supplier, we will promptly account for the amount of the payment that we retained and we will transmit the retained amount to you.

8. This Addendum will only have effect if the Franchise Agreement, Development Agreement, and/or the relationship between you and the Franchisor satisfy all of the jurisdictional requirements of the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act, without considering this Addendum. Except as modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISEE	FRANCHISOR:
_____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

This Addendum amends the Franchise Agreement and/or Development Agreement dated _____ between _____, a _____ limited liability company, ("Franchisor") and _____, a _____ _____ ("Franchisee" or "your").

Illinois law governs the Disclosure Document, Franchise Agreement(s), and Development Agreement(s).

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

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois 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.

Notwithstanding anything to the contrary set forth in the Franchise Agreement and/or Area Development Agreement to which this Illinois Addendum is attached, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

This Addendum will only have effect if the Franchise Agreement, Development Agreement, and/or the relationship between you and the Franchisor satisfy all of the jurisdictional requirements of the Illinois Franchise Disclosure Act, without considering this Addendum. Except as modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Smash Brothers, LLC d/b/a Crushr® Franchise Agreement and Development Agreement agree that such agreements are hereby amended as follows:

With respect to franchisor's right to terminate you upon your bankruptcy as set forth in the Franchise Agreement and the Development Agreement, termination of the Franchise Agreement or Development Agreement for this reason may not be enforceable under federal bankruptcy (11 U.S.C. 101 et. Seq.).

Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Notwithstanding anything to the contrary in the Franchise Agreement or Development Agreement, the Maryland Franchise Registration and Disclosure Law prohibits the Franchisor from precluding the Franchisee from initiating litigation against the Franchisor in Maryland. Accordingly, the Franchise Agreement and Development Agreement are hereby modified to provide that the Franchisee may initiate litigation or sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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.

This Addendum will only have effect if the Franchise Agreement, Development Agreement, and/or the relationship between you and the Franchisor satisfy all of the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, without considering this Addendum. Except as modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:	FRANCHISOR:
_____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

In recognition of the Minnesota Franchise Law, Minn. Stat. §§ 80C.01-80C.22 and the Rule and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, the parties agree to modify the Franchise Agreement and Area Development Agreement as follows:

1. Releases.

Notwithstanding anything to the contrary set forth in this Agreement, the Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01-80C.22, provided that foregoing shall not bar the voluntary settlement of disputes.

2. Term and Successor Franchise Agreement, Default and Termination.

Notwithstanding anything to the contrary set forth in this Agreement, Franchisor will comply with Minnesota Statutes Clause 80C.14 Subdivision 3, 4, and 5, which require, except in certain cases, that Minnesota Franchisees be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

3. Licensed Marks.

Franchisor will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the same provided that your use is in accordance with the requirements of the Franchise Agreement and the System..

4. Time Limit on Filing.

Notwithstanding anything to the contrary set forth in this Agreement, any claim or action arising out of or relating to the Minnesota Franchise Law must be commenced within three (3) years from the occurrence of the facts giving rise to the claim or action, or the claim or action is barred.

5. Jurisdiction and Venue.

Nothing in this Agreement will abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, including the right to submit matters to the jurisdiction of the courts in Minnesota. Minnesota Stat. §80C.21 and Minn. Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes.

6. Under the terms of the Franchise Agreement and Development Agreement, as modified by this Addendum, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the Franchisor's System Marks, or Proprietary Materials during or after the period of the Agreements, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

7. This Addendum will only have effect if the Franchise Agreement, Development Agreement, and/or the relationship between you and the Franchisor satisfy all of the jurisdictional requirements of Minnesota Statutes §§ 80C.01-80C.22 without considering this Addendum. Except as modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:	FRANCHISOR:
_____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NEW YORK ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties agree to modify the Franchise Agreement as follows:

1. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695 may not be enforceable.

2. Releases. The release of claims set forth in this Agreement does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.

3. Assignment by Franchisor. Notwithstanding anything to the contrary set forth herein, Franchisor will not assign its rights under the Franchise Agreement except to an assignee who in Franchisor's good faith judgment is willing and able to assume Franchisor's obligations under the Franchise Agreement.

4. Termination by Franchisee. Notwithstanding anything to the contrary set forth herein, you may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. Governing Law. Notwithstanding anything to the contrary set forth herein, the New York General Business Law shall govern any claim arising under that law.

6. This Addendum will have effect only if the Franchise Agreement and/or the relationship between Franchisor and you satisfy all of the jurisdictional requirements of New York General Business Law, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

FRANCHISEE:	FRANCHISOR:
_____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

.

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

This Addendum amends the Franchise Agreement and/or Development Agreement dated _____ (collectively, "Agreements") between _____, a _____ limited liability company, ("Franchisor") and _____, a _____ _____ ("Franchisee" or "your").

1. Any provision in the Agreements which requires the franchisee to sign a general release upon renewal of the Franchise Agreement is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

2. In North Dakota, provisions of the Agreements which unreasonably limit the statute of limitations or remedies under the North Dakota Franchise Investment Law, such as the right to jury trial, may not be enforceable.

3. Provisions of the Agreements requiring the Franchisee to consent to liquidated damages or termination penalties, requiring the Franchisee to consent to a limitation of claims or requiring the Franchisee to pay all of Franchisor's costs and expenses incurred in enforcing the agreement may not be enforceable under North Dakota law.

4. Provisions of the Agreements requiring that the Agreements be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

5. Provisions of the Agreements which provide that the parties agree to arbitration or mediation of disputes at a location that is remote from the site of Franchisee's business is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

6. Provisions of the Agreements which designate jurisdiction or venue or require the Franchisee to agree to jurisdiction or venue in a forum outside of North Dakota are void with respect to any cause of action which is otherwise enforceable in North Dakota.

7. Provisions of the Agreements requiring a franchisee to sign a general release upon the renewal of the Agreement(s) are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

8. Provisions of the Agreements restricting competition are contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust or inequitable within the intent of Section 51-09-09 of the North Dakota Franchise Investment Law.

9. Section 22.8 of the Franchise Agreement requires the franchisee to consent to a waiver of exemplary and punitive damages. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Law. Accordingly, Section 22.8 of the Franchise Agreement is hereby deleted for all franchise agreements subject to the North Dakota Franchise Investment Law.

10. In the event of any conflict between the terms of this Addendum and the terms of the Franchise Agreement or Development Agreement, the terms of this Addendum shall prevail.

11. All initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

12. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this Addendum.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of Rhode Island.

1. Governing Law. The Franchise Agreement and Development Agreement is amended, in relevant part to reflect the following:

Notwithstanding anything to the contrary set forth herein, Rhode Island law governs any claim arising under the Rhode Island Franchise Investment Act.

2. Jurisdiction and Venue. The Franchise Agreement and Development Agreement is amended, in relevant part to reflect the following:

Notwithstanding anything to the contrary set forth herein, you have the right to file any litigation under the Rhode Island Franchise Investment Act in Rhode Island.

3. This Addendum will have effect only if the Franchise Agreement, Development Agreement, and/or the relationship between you and the Franchisor satisfy all of the jurisdictional requirements of the Rhode Island Franchise Investment Act, without considering this Addendum. Except as expressly modified by this Addendum, the Franchise Agreement and Development Agreement remain unmodified and in full force and effect.

FRANCHISEE:	FRANCHISOR:
_____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT AND RELATED AGREEMENTS

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.

Dated this _____ day of _____, 20_____.

_____	_____
FRANCHISOR	FRANCHISEE
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT E

OPERATIONS MANUAL TABLE OF CONTENTS

Franchise Operations Manual

Table of Contents

This manual contains the basic foundation of daily operations for the Crushr System, and may be expanded or altered at the discretion of Smash Brothers, LLC (the Company). Changes shall become effective upon receipt of the written policy. The Franchisee shall print and insert each addendum in the final tab of this document (Sec-on 7: Inserts).

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EXHIBIT F

LIST OF CURRENT FRANCHISEES

Alabama

Montgomery, AL* (Not yet opened)
Russell Rissman
1439 Upper Kingston Road
Prattville, AL 36067
(334) 462-8850

Florida

Jacksonville, FL
RAMMMS Corporation
562 East Kings College Drive
St. Johns, FL 32259
(872) 278-7471

Miami, FL
Miami Crusher LLC
4001 Woodbridge Road
Miami, FL 33133
(786) 575-2315

Georgia

Atlanta, GA
Crush Waste Partners, LLC
4390 Skyland Drive
Atlanta, GA 30342
(844) 236-8777

Indiana

Indianapolis, IN
Keith Matthews
12903 Rocky Pointe Road
Fishers, IN 46055
(317) 507-6321

Kentucky

Covington, KY (Not yet opened)
Cincinnati Crushr Inc.
217 Eight Mile Road
Cincinnati, OH 45255
(404) 849-0989

Louisville, KY
D2 Builders, LLC
9276 Storage Way
Louisville, KY 40291
844-236-8777

Massachusetts

Bedford, MA (Not yet opened)
Middie Back Inc.
2 Thaxter Road
Newton, MA 02460
(617) 678-6779

Missouri

St. Louis, MO
Waste Compaction Services LLC
6614 Clayton Road #387
St. Louis, MO 63177
(314) 597-6274

Springfield, MO*
Crushalot, LLC
3900 South Lone Pine Avenue
A106
Springfield, MO 65804
(317) 690-6554

Nebraska

Omaha, NE
Anzalone Crushr, LLC
1436 North 143 Avenue
Omaha, NE 68154
(402) 917-6297

New Jersey

Newark, NJ
Tripod Rock Funding Corp.
33 West End Avenue
Summit, NJ 07901
(908) 447-7230

Trenton, NJ*
Alex Rozenbom
1736 Waterford Drive
Edison, NJ 08817
(732) 725-8448

North Carolina

Raleigh, NC
Raleigh Trash Professionals, LLC
121 Ribbon Walk Lane
Holly Springs, NC 27540
(919) 335-5767

Wilmington, NC (Not yet opened)
Alexis and Paul Beall
2105 Camellia Drive
Wilmington, NC 28403
(910) 622-5686

Ohio

Cleveland, OH
Cleveland Crushr and Company LLC
675 Madison Avenue
Aurora, OH 44202
(440) 725-6025

Columbus, OH
Midwestcoast Ventures LLC
229 Glenworth Court
Powell OH 43065
(614) 378-9831

Pennsylvania

Bensalem, PA* (Not yet opened)
Alex Rozenbom
1736 Waterford Drive
Edison, NJ 08817
(732) 725-8448

South Carolina

Greenville, SC*
Crushr of Greenville, LLC
18 Greenlee Hill Court
Greenville, SC 29615
(864) 346-0551

Tennessee

Knoxville, TN (Not yet opened)
Smart Business Solutions LLC
12211 Torrey Pines Point
Farragut, TN 37934
(614) 446-7665

Nashville, TN
Smashin Bastin LLC
1400 Rosa Parks Blvd. #111
Nashville, TN 37208
(615) 663-2077

Texas

Carrollton, TX (Not yet opened)
Crushr NTX, LLC
4040 Old Town Road
Addison, TX 75001
(214) 558-0583

Frisco/McKinney, TX* (Not yet opened)
American Green Machine Inc. d/b/a Crushr
1177 Yuma Drive
Frisco, TX 75033
(901) 832-3232

Texas

Houston, TX
Haney + White Crushr, L.L.C.
144 Ridgeway Farm Road
Shepherdsville, KY 40165
(502) 681-2610

San Antonio North, TX*
Hiltpold Enterprises, Inc.
1728 Waterstone Parkway
Boerne, TX 78006
(210) 389-8830

The Woodlands, TX (Not yet opened)
Skylord Solutions Corp.
407 Woodpecker Forest Lane
Conroe, TX 77384
(281) 772-6969

Utah

Lehi, UT (Not yet opened)
Michael Zellmer d/b/a Crushr of
Utah County
640 E. 1200 North
Genola, UT 84655
(801) 472-8212

Salt Lake City, UT*
Dumpster Crusher LLC
16797 Wingspread Loop
Winter Garden FL 34787
(801) 455-0648

Washington, D.C.

Washington, D.C.
RDC Ventures LLC
4501 Salem Lane NW
Washington, D.C. 20007
(202) 905-6328

Wisconsin

Milwaukee, WI
EAV Waste Consulting, LLC
W288N3747 Woodline Hill Court
Pewaukee, WI 53072
(920) 858-8842

***Part of an Area Development Agreement**

Franchisees 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 has not communicated with us within 10 weeks of the issuance date of this Disclosure Document: None.

EXHIBIT G

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICES OF PROCESS

List of State Regulatory Agencies and Administrators

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

LIST OF STATE ADMINISTRATORS	
CALIFORNIA Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	**CONNECTICUT** State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230
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, Hawaii 96813 (808) 586-2722	**ILLINOIS** Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA Indiana Secretary of State Franchise Section 302 Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**MARYLAND** Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117	**MINNESOTA** Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
NEW YORK New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712
OREGON Department of Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street, NE Room 410 Salem, Oregon 97310 (503) 378-4387	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
WASHINGTON Department of Financial Institutions Securities Division, 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

LIST OF STATE AGENT FOR SERVICE OF PROCESS	
CALIFORNIA Commissioner Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677	**CONNECTICUT** Banking Commissioner Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230
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, Hawaii 96813 (808) 586-2722	**ILLINOIS** Illinois Attorney General Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA Indiana Secretary of State Franchise Section 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**MARYLAND** Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117	**MINNESOTA** Minnesota Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
NEW YORK New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231 (518) 472-2492	**NORTH DAKOTA** North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712
OREGON Secretary of State Corporation Division - Process Service 255 Capitol Street NE, Suite 151 Salem, OR 97310-1327 (503) 986-2200	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
WASHINGTON Director, Department of Financial Institutions Securities Division, 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760	**WISCONSIN** Administrator, Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT H

CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION AGREEMENT

This Confidentiality, Non-Solicitation and Non-Competition Agreement (the "Confidentiality Agreement") is made as of the__day of _____, 20____, by and between Smash Brothers, LLC, a Kentucky limited liability company ("Franchisor") and the individual noted below ("Individual").

WITNESSETH:

WHEREAS, _____ ("Franchisee") is a party to that certain Franchise Agreement dated _____, 20____ ("Franchise Agreement") by and between Franchisee and Smash Brothers, LLC ("Company"); and

WHEREAS, Franchisee desires Individual to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Confidentiality Agreement prior to providing Individual access to said confidential materials; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Company, Franchisee or any other franchisee of Company in the same or a similar business, ("Competitive Business") now or in the future.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Trade Secrets and Confidential Information

Individual understands that Franchisee possesses and will possess Trade Secrets and other Confidential Information that are important to its business. For the purposes of this Confidentiality Agreement, a "Trade Secret" is information in any form (including, but not limited to, materials and techniques, technical or nontechnical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential clients or suppliers) related to or used in CRUSHR® franchises that is not commonly known by or available to the public and that information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. For the purposes of this Confidentiality Agreement "Confidential Information" means technical and non-technical information related to or used in CRUSHR® franchises that is not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified as confidential when delivered by Franchisor. Confidential Information shall not include, however, any information that: (a) is now or subsequently becomes generally available to the public through no fault of Franchisee; (b) Franchisee can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Confidentiality Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information. Any information expressly designated by Company as "Trade Secrets" or "Confidential Information" shall be deemed such for all purposes of this

Confidentiality Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands Franchisee's providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets and other Confidential Information.

2. Confidentiality/Non-Disclosure

a) Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any Trade Secrets or other Confidential Information.

b) Individual's obligations under paragraph 2(a) of this Confidentiality Agreement shall continue in effect after termination of Individual's relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Individual's obligations under this Confidentiality Agreement to any future client or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in the Crushr System.

3. Non-Competition

a) During the Term of this Agreement and for a period of two (2) years after its expiration or termination, Individual shall not, directly or indirectly, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business anywhere within twenty-five (25) miles of the premises of Franchisee's Crushr Franchised Business located at: _____, or any other Crushr franchisee's protected territory.

b) During the Term of this Agreement and for a period of two (2) years after its expiration or termination, Individual shall not, directly or indirectly, solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisee, Company or any other Crushr Business to compete against, or terminate or modify his, her or its employment or business relationship with, Franchisee, Company or any other Crushr Business.

c) "Competitive Business" means any business that offers (or grants franchises or licenses to others to operate a business that offers) mobile commercial on- site trash compacting services the same as or similar to those provided by Crushr franchises or in which Confidential Information could be used to the disadvantage of Company or its other franchisees; provided, however, that the term "Competitive Business" shall not apply to (a) any business operated under a Franchise Agreement with Company, or (b) any business operated by a publicly held entity in which Individual owns less than a five percent (5%) legal or beneficial interest.

4. Reasonableness of Restrictions

Franchisee acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisee, Company, and Company's Trade Secrets and other Confidential Information, the System and the Licensed Marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time

period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Confidentiality Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Relief for Breaches of Confidentiality, Non-Solicitation and Non-Competition

Individual further acknowledges that an actual or threatened violation of the covenants contained in this Confidentiality Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury, that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Franchisee and Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this Confidentiality Agreement, such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

6. Miscellaneous

a) This Confidentiality Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Confidentiality Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Confidentiality Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

b) Individual shall reimburse Franchisee for any and all costs and attorney fees incurred by Franchisee in the enforcement of the terms of this Confidentiality Agreement.

c) This Confidentiality Agreement shall be effective as of the date this Confidentiality Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns. Company is an intended third-party beneficiary of this Confidentiality Agreement with the independent right to enforce the confidentiality and non-competition provisions contained herein.

d) The failure of either party to insist in any one (1) or more instances upon performance of any terms and conditions of this Confidentiality Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Confidentiality Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

e) The paragraph headings in this Confidentiality Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Confidentiality Agreement.

f) This Confidentiality Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky without regard to its conflict of laws principles. Individual irrevocably submits to the jurisdiction of state or federal court of general jurisdiction in Jefferson County, Kentucky and waives any objection it may have to either jurisdiction or venue of such court. Each party waives any right to a jury trial, with respect to any dispute arising out of or relating to this Agreement to the fullest extent permitted by applicable law.

g) In the event that any part of this Confidentiality Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

IN WITNESS WHEREOF, Franchisee has hereunto caused this Confidentiality Agreement to be executed by its duly authorized officer, and Individual has executed this Confidentiality Agreement, all being done in duplicate originals with one (1) original being delivered to each party as of the day and year first above written.

FRANCHISEE

_____
Signature

_____
Print or Type Name

_____
Date

INDIVIDUAL

_____
Signature

_____
Print or Type Name

_____
Date

EXHIBIT I

STATE EFFECTIVE DATES

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	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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 J

RECEIPTS

(Please see attached)

RECEIPT

(Your Copy – Keep this Copy for Your Records)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Smash Brothers, LLC d/b/a Crushr® ("Crushr") offer you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make payment to, Crushr or an affiliate in connection with the proposed franchise sale.

New York requires that Crushr gives 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 relate to the franchise relationship. Michigan requires that Crushr 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.

If Smash Brothers, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit G.

This franchise is being offered by the following seller(s) at the principal business address and phone number listed below (check all that have been involved in the sales process):

□ K. Scott Dennison: 17601 West 130th St., Suite 4A North Royalton, OH 44133 (216) 659-1179
□ Ray Reichard or □ _____ (FranDevCo) 9820 Northcross Dr. Huntersville, NC 28078 (980) 246-0028.

□ (Name) _____ (Address) _____ (Phone) _____

□ (Name) _____ (Address) _____ (Phone) _____

Smash Brothers, LLC agents authorized to receive service of process are set forth on Exhibit G.

Issuance Date: May 2, 2022.

Exhibit A – Financial Statements Exhibit B – Franchise Agreement Exhibit C – Area Development Agreement Exhibit D – State Specific Amendments Exhibit E – Operations Manual Table of Contents	Exhibit F – List of Franchisees Exhibit G – State Administrators & Agents for Service of Process Exhibit H – Confidentiality, Non-Competition & Non-Solicitation Agreement Exhibit I – State Effective Dates Exhibit J - Receipts

Date: _____

Print Name: _____

Sign: _____

[if legal entity]

Legal Entity: _____

Officer Signature: _____

Officer Name: _____

Officer Title: _____

Address_____

City, State, Zip_____

Telephone_____

Smash Brothers, LLC,
13011 West U.S. Highway 42, Suite 206
Prospect, KY 40059
scott_louisville@dumpstercrushr.com

[*Retain this copy for your records.*]

RECEIPT

(Our Copy – Please Return a Signed Copy to Us)

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 Smash Brothers, LLC d/b/a Crushr® ("Crushr") offer you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make payment to, Crushr or an affiliate in connection with the proposed franchise sale.

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Date: _____

Print Name: _____

Sign: _____

[if legal entity]

Legal Entity: _____

Officer Signature: _____

Officer Name: _____

Officer Title: _____

Address_____

City, State, Zip_____

Telephone_____

Signed Receipt can be returned to:
Smash Brothers, LLC,
13011 West U.S. Highway 42, Suite 206
Prospect, KY 40059
scott_louisville@dumpstercrushr.com