

FRANCHISE DISCLOSURE DOCUMENT



Junk Punks Franchising Company LLC
a Florida limited liability company
8800 49th Street N, Suite 203
Pinellas Park, FL 33782
262-443-4513
JunkPunks.com

We offer franchises for the operation of eco-friendly retail junk removal, furniture removal and donation, and recycling businesses under the name “Junk Punks®”.

The total investment necessary to begin operation of a Junk Punks® franchise is estimated at between \$81,700 and \$225,500. This includes \$54,200 to \$192,500 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Logan Sullivan at Junk Punks Franchising Company LLC, 8800 49th Street N, Suite 203, Pinellas Park, FL 33782. Telephone: 262-443-4513.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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: February 6, 2026, amended April 1, 2026 and June 26, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit 6 and Exhibit 7.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit 9 includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Junk Punks 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 Junk Punks franchisee?	Item 20 or Exhibit 6 and Exhibit 7 list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 1.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation and/or litigation only in California. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in California than in your own state.

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

Michigan Addendum to the Disclosure Document

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel that deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials, which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business, are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logo type, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to: (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards; (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor; (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right

to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

Any questions regarding this notice should be directed to Department of the Attorney General's Office, Consumer Protection Division, Franchise Section, G. Mennen Williams Building, 525 W. Ottawa Street, Lansing, Michigan 48913; telephone number (517) 335-7567.

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ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document “**Junk Punks**,” “**we**,” “**us**,” and “**our**” mean Junk Punks Franchising Company LLC, a Florida limited liability company, the franchisor. “**You**” and “**your**” mean the person who buys the franchise from us. If you are a corporation, partnership, limited liability company or other entity, “you” includes all owners of a legal or beneficial interest in you.

Franchisor and Its Parents, Predecessors and Affiliates

We do business under the name “Junk Punks.” Junk Punks Franchising Company LLC, a Florida limited liability company, was formed on January 7, 2026. Our principal business address is 8800 49th Street N, Suite 203, Pinellas Park, FL 33782. We do not do business under any other name. The names and principal business addresses of our agents for service of process are listed in Exhibit 1.

We began offering Junk Punks® franchises in February 2026.

Other than Junk Punks® franchises, we have never offered any other franchises in any other line of business. We do not conduct any other business activities other than selling and supporting Junk Punks® franchises. We do not operate a business of the type being franchised, but our affiliates do.

Parents and Affiliates. We are wholly owned by Junk Punks Holdings, LLC, a Florida limited liability company formed on January 6, 2026 (“**Parent**”). Its principal business address is the same as ours. Our Parent does not offer franchises in any line of business and does not provide products or services to our franchisees.

Our affiliates Junk Punks TB LLC (“**JPTB**”), Junk Punks MKE LLC (“**JPMKE**”), Junk Punks Florida East, LLC (“**JPFE**”), and Junk Punks Louisiana, LLC (“**JPL**”) each operate a Junk Punks® business in Tampa, FL, Milwaukee and Madison, WI, Miami, FL (not yet open), Louisiana (opened in 2026), respectively. JPTB is a Florida limited liability company that was formed on October 4, 2022, with the same principal business address as us. JPMKE is a Wisconsin limited liability company formed on January 6, 2023, with a principal business address at 2009 N. County Rd. E, Janesville, WI 53548. JPFE is a Florida limited liability company formed on February 3, 2026, with the same principal business address as us. JPL is a Louisiana limited liability company with a principal business address at 3867 Plaza Tower Drive, Baton Rouge, LA 70816. None of JPTB, JPMKE, JPFE or JPL offer franchises in any line of business nor provide products or services to our franchisees.

Our founders Logan Sullivan and Ryder Radke began operating Junk Punks® businesses in June 2022, prior to forming JPTB and JPMKE.

Our affiliate, Junk Punks Management LLC (“**JPM**”) may rent or sell certain equipment, materials and supplies to franchisees. JPM is a Florida limited liability company formed on March 17, 2023, with the same principal business address as us. JPM does not offer franchises in any line of business.

We have no other affiliates.

Predecessors. We have no predecessors.

The Program

We have combined our best practices into a comprehensive process for operating a franchised junk removal and recycling business (the “**Program**”) under the JUNK PUNKS® mark and other trademarks, service marks, associated designs, artwork, and logos that we specify from time to time (the “**Marks**”). Franchisees operating under the Program will, upon order, remove and haul junk from residential and

commercial customers using a vehicle and other equipment that meets our specifications for disposal, donation, re-use, and recycling.

The “junk” that our franchises remove and haul consists of items not typically removed through normal municipal pick-up. We are not, and the Program is not, in the business of regular pick-up of trash along designated residential or commercial routes, or the hauling or disposal of any hazardous materials, including, but not limited to: oil or gasoline; asbestos; any material containing or contaminated with PCBs; liquid waste of any sort; sludge of any sort; septic tank sludge or waste; or solvents, liquids paints, or chemicals.

The Program is a step-by-step guide to running a franchised Junk Punks® junk removal business (a “**Franchised Business**”), which is described in our confidential operations manual, as revised from time to time (the “**Manual**”). The Program includes franchisee training, marketing and sales methodologies (including use of the Marks and brand development), and proprietary software.

To obtain the right to operate a Franchised Business, you and we must execute a franchise agreement (the “**Franchise Agreement**”). Our current form of Franchise Agreement is attached as Exhibit 3 to this Disclosure Document. In the Franchise Agreement, we will specify a protected territory (the “**Territory**”) in which you may offer the products, services, and service enhancements that we have approved for offer and sale in the Program (the “**Services**”). You must open and operate an office and approved facility (the “**Franchised Location**”) within the Territory.

If you are an entity, you must designate an owner with at least a 20% ownership interest in your entity as the “**Operating Principal**.” The Operating Principal must have authority over all business decisions related to your Franchised Business and must have the power to bind you in all dealings with us. You must designate a general manager to be responsible for the day-to-day operations of your Franchised Business (a “**Manager**”). Your Manager(s) must be fully trained and meet our brand standards but are not required to own an ownership interest in you.

Market and Competition

There is an established, but growing, market for residential and commercial junk removal services. Franchised Businesses will compete with national, regional, and local junk removal businesses offering similar services. Demand may be impacted by the trash removal services offered by municipalities. Our target market includes homeowners, property managers, contractors, realtors, storage companies, and various other types of businesses.

Industry Specific Regulations

You must comply with federal, state and local laws and regulations for business licensing, commercial vehicle licensing laws and regulations, commercial driver licensing, insurance, local zoning, and environmental and waste disposal requirements pertaining to the junk removal and hauling business. Municipalities and neighborhoods may have laws, regulations, or rules relating to the placement and transportation of dumpsters. You should investigate the application of these laws further.

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ITEM 2 BUSINESS EXPERIENCE

Manager, Owner and Co-Founder: Logan Sullivan

Mr. Sullivan co-founded Junk Punks® in June 2022, and has served as our manager, and the manager of our Parent, JPTB and JPMKE since inception. Prior to founding Junk Punks®, Mr. Sullivan was on the Cleaning Crew with Pernats Premium Meats in Johnson Creek, WI from January 2020 to January 2021, and a Leasing Agent with Spaulding Group from March 2021 to June 2022. Prior to that, Mr. Sullivan was a full-time student. Mr. Sullivan is based in Tampa, FL.

Manager, Owner and Co-Founder: Ryder Radke

Mr. Radke co-founded Junk Punks® in June 2022, and has served as our manager, and the manager of our Parent, JPTB and JPMKE since inception. Prior to founding Junk Punks®, Mr. Radke was a manager with Prime Painters in Janesville, WI from June 2019 to May 2021, and a Leasing Agent with Spaulding Group from May 2021 to April 2022. Prior to that, Mr. Sullivan was a full-time student. Mr. Radke is based in Tampa, FL.

Director of Franchise Development: Tanner Suarez

Mr. Suarez has been our Director of Franchise Development since June 2025. Prior to joining us, he was a director at 1-800-GOT-JUNK in Pinellas Park, FL from June 2021 to September 2025. Prior to that, he was a write for the Bucs Report on Tampa Bay Buccaneers website, from January 2020 through March 2021.

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ITEM 3 LITIGATION

No litigation is required to be disclosed in this item.

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ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

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ITEM 5 INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee (the “**Initial Franchise Fee**”) of \$50,000 upon executing your franchise agreement. Your Initial Franchise Fee depends on the number of persons that live in your Territory based on the most recently published data from the U.S. Census Bureau or such other source as we may indicate. The Initial Franchise Fee is \$50,000 for Territories (made up of whole counties) with a population of 400,000 to 1,000,000 people. For counties exceeding a population of 1,000,000, you will pay an additional fee of \$0.025 per person in excess of 1,000,000. For example, for a territory of 3,000,000, the Initial Franchise Fee would be \$100,000.

The Initial Franchise Fee and Option Fee are non-refundable, must be paid in a lump sum, and are uniform for all similarly-situated franchisees.

We may finance some or all of your Initial Franchise Fee. See Item 10. If we finance the Initial Franchise Fee, we estimate that monthly payments will range from approximately \$2,300 to \$8,300.

Initial Equipment and Supplies

You must purchase your initial supply of business cards, uniforms, other branded materials and supplies, and certain equipment from us or our affiliates. We estimate this cost to be approximately \$1,500 to \$2,500.

Vehicles

You must purchase your vehicle from an approved supplier (which may be us or our affiliates). Currently, we require you to purchase one of the following types of vehicles (including estimated purchase price in parentheses):

- Isuzu NPR Box truck (\$30,000-\$70,000)
- Isuzu NPR Dump truck (\$50,000-\$90,000)
- Ford Transit (\$35,000 - \$65,000)

Vehicles may be new or used, but in any event must meet our specifications and standards. These estimates assume that you will purchase your vehicles in cash. If you choose to lease your vehicles, we estimate lease payments that range from \$900 to \$1,500 per month, depending on maintenance packages. If you choose to finance your vehicles, the down payment, interest rate, monthly payments, and other financing terms will vary.

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ITEM 6 OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty	6% of Gross Revenue	Due weekly on the Payment Date	See Note 2 for the definition of “Payment Date.” See Note 3 for the definition of “Gross Revenue.”
Advertising Fund Fee	2% of Gross Revenue	Due weekly on the Payment Date	This amount is contributed to an advertising fund maintained and controlled by us or our affiliates (the “Advertising Fund”).
Customer Call Center Fee	6% of Gross Revenue	Due weekly on the Payment Date	This fee is used to fund the operations of our customer call center.
Bookkeeping Fee	2% of Gross Revenue	Due weekly on the Payment Date	We will provide bookkeeping services to you. If additional bookkeeping work is required due to franchisee error, failure to provide accurate information, or lack of timely responsiveness, we may charge \$50 per hour for such additional services.
Fleet Management Software Fee	Currently, \$35-\$50 per vehicle per month	Monthly on the Payment Date	We maintain a master subscription for fleet management software, which may include GPS tracking, dash cameras, and asset tracking. Franchisees are required to participate in this program. Subject to increase as our direct costs from the vendor increase.
Email and Productivity Platform Fee	Currently, \$12 per user per month	Monthly on the Payment Date	We provide and manage company-wide email and productivity accounts using franchisor-approved domains. Subject to increase as our direct costs from the vendor increase.
Proprietary Junk Punks Software Systems (Operations, Calls, and Scenarios by Junk Punks)	\$10 per user per month	Monthly on the Payment Date	You must use our proprietary software platform for operational, reporting, and internal system purposes.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Interest and Administrative Fee on Overdue Invoices and Payments	10% per annum	Upon demand	If you do not pay your Royalties, Customer Call Center Fees, or other amounts owed to us on time and in the amount due, we may require you to pay interest on the overdue amounts.
Administrative Fee For Late Payments	\$150 per event	Upon demand	If you do not pay any amount due to us by the specified due date, we may require you to pay us this fee.
Cooperative Advertising	As determined by the Advertising Cooperative, if one is formed in your area	As determined by the Advertising Cooperative	We may establish organizations or associations of franchisees or advertising cooperatives for the purpose of promoting, coordinating, and purchasing advertising in local, regional, or national areas where there are multiple Franchised Businesses (“ Advertising Cooperatives ”). If an Advertising Cooperative is formed in your area, you may be required to contribute additional funds for marketing programs it conducts in addition to the Advertising Fund Fee and Minimum Local Advertising Expenditure.
Alternative Supplier Fee	Our actual costs to evaluate the alternative supplier	At the time we incur the costs.	We reserve the right to require you to reimburse us for reasonable expenses we incur in approving new items or suppliers. To purchase from an alternative supplier, you are required to submit the request to us in writing.
Cost of Audit	Varies	On Demand	We have the right to audit at any time without notice. You will only be charged if the audit reveals underreporting of 2% or more.
Liquidated Damages for Material Default	36 months times the average monthly ongoing fees that we were owed in the prior 12 months	At time of breach	Payable if we terminate the Franchise Agreement due to a material default. Ongoing monthly fees include Royalties, Customer Call Center Fund Fees, and Advertising Fund Fees.
Renewal Fee	\$5,000	30 days before expiration of current term.	Payable if you enter into a successor term.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Transfer	\$25,000	On or before the effective date of the transfer	Payable if you transfer an interest in the Franchise Agreement, the Franchised Business, or your entity. No charge if transferred to an entity you control or immediate family member.
Costs and Attorneys' Fees	Our costs and attorneys' fees	Upon request	If we are the substantially prevailing party as to any claims or incur expenses related to enforcing the agreement, you agree to reimburse our costs and attorneys' fees incurred in pursuing or defending the claims or enforcing the agreement.
Indemnification	Will vary under circumstances	Upon request	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Business.

Notes:

1. Unless otherwise noted, all fees are uniformly imposed by, payable to and collected by Junk Punks, and are nonrefundable. All payments are processed through the Automated Clearing House ("ACH") electronic network. ACH rules and regulations apply. You must sign the Authorization Agreement For Prearranged Payments attached as Schedule C to the Franchise Agreement, and any other documents or agreements necessary to effect automatic payments.
2. "**Payment Date**" means, for weekly payments, the day of the week that we designate as the Payment Date, currently Friday, and, for monthly payments, the 5th day of each month. In either case, if the Payment Date is not a business day, the Payment Date will be deemed to be the immediately following business day. We may change the Payment Date at any time.
3. "**Gross Revenue**" means the aggregate sales price of all products and services sold by you, in connection with or arising out of the operation of the Franchised Business, excluding (1) the amount of any good faith refund or credit given in respect of any services provided to a customer of the Franchised Business in the ordinary course of business, and (2) any amounts collected by you and paid out by you to a governmental authority on account of sales tax, or other taxes imposed upon the sale of goods or services by you in respect of the Franchised Business and which you are not entitled to subsequently recover.

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ITEM 7 ESTIMATED INITIAL INVESTMENT**YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Franchise Fee (Note 1)	\$7,000	\$100,000	Lump sum	At signing of Franchise Agreement	Us
Leasehold Improvements (Note 2)	\$0	\$0	Lump sum	Before opening	Third-party Vendors
Fixtures, Furniture, and Equipment (Note 3)	\$2,700	\$90,000	As incurred	Before opening	Us or Third-party Vendors
Signage (Note 4)	\$1,000	\$2,000	Lump sum	Before opening	Third-party Vendors
3 Months' Rent (Note 5)	\$1,500	\$6,000	As incurred	Monthly	Landlord
Inventory and Supplies (Note 6)	\$3,000	\$3,000	As incurred	Before opening	Us and Third-Party Vendors
Grand Opening Advertising	\$5,000	\$5,000	As incurred	Before opening	Third-party Vendors
Travel and Living Expenses While Training (Note 7)	\$500	\$1,500	As incurred	Before opening	Third-party Vendors
Miscellaneous Opening Costs	\$3,000	\$3,000	As incurred	Before opening	Third-party Vendors
Additional Funds - 3 months (Note 8)	\$15,000	\$15,000	As incurred	Before opening	Suppliers, Utilities, etc.
TOTAL (Note 9)	\$38,700	\$225,500			

Notes:

Note 1. The Initial Franchise Fee is \$50,000 for Territories (made up of whole counties) with a population of 400,000 to 1,000,000 people. For counties exceeding a population of 1,000,000, you will pay an additional fee of \$0.025 per person in excess of 1,000,000. We may finance some or all of the initial franchise fee. See Item 10.

The low end assumes a Territory of 400,000 to 1,000,000 people, and additionally assumes that the entire initial franchise fee is financed for a two-year term at 10% interest, accounting for the first three monthly payments under the Secured Promissory Note. The high end assumes a territory of up to 3,000,000 people, and assumes that you pay the entire Initial Franchise Fee up front.

Note 2. Because the Franchised Location is simply a parking spot for your vehicle, we do not require you to lease a building, office, warehouse or other real estate that would require improvements.

Note 3. You must purchase your vehicle from an approved supplier (which may be us or our affiliates). Currently, we require you to purchase one of the following types of vehicles (including estimated purchase price in parentheses):

- Isuzu NPR Box truck (\$30,000-\$70,000)
- Isuzu NPR Dump truck (\$50,000-\$90,000)
- Ford Transit (\$35,000 - \$65,000)

We may consider other vehicle options on a case-by-case basis, upon request. Vehicles may be new or used, but in any event must meet our specifications and standards. The high estimate assume that you will purchase you vehicles in cash. If you choose to lease your vehicles, we estimate lease payments that range from \$900 to \$1,500 per month, depending on maintenance packages. The low estimate is calculated by assuming a \$900 per month lease payments during the 3-month opening period. If you choose to finance your vehicles, the down payment, interest rate, monthly payments, and other financing terms will vary.

Note 4. You will need to purchase signage for your office/warehouse space.

Note 5. You must secure a lease for a parking spot for your vehicle. We do not require you to lease any other real property.

Note 6. Unless you have these items already, you will need a computer with internet access, anti-virus protection, printer, e-mail, telephone, scanner, desk, chairs, file cabinet, tools, trash cans, recycling bins, cell phones, and truck equipment. Further, you must maintain a dedicated telephone number for use as a franchisee. Further, we reserve the right to specify your purchase and use of reasonable software for operation of the Franchised Business. You must purchase your initial supply of business cards, uniforms, other branded materials and supplies, and certain equipment from us or our affiliates. We estimate this cost to be approximately \$1,500 to \$2,500.

Note 7. Travel and living expenses to attend initial training will vary significantly depending upon the distance you travel to attend initial training, whether you travel at peak or off season, which day of the week you travel, the amount of advance time before booking, the grade or level of lodging that you choose, and grade of restaurants at which you predominantly choose to eat. We require at least one person to attend initial training, but we allow you to bring up to one additional employee. The estimate assumes one to two people will attend training.

Note 8. This is an estimate of the amount of additional operating capital that you may need during the pre-opening period and the first three months after opening your business. This estimate includes additional funds you may need to pay employee salaries and wages, local license and other government fees, utilities, payroll taxes (including payroll to cover the pre-opening training period for your staff), Royalty Fees, Customer Call Center Fund fees, legal and accounting fees, your monthly advertising obligations, health and workers' compensation/Workman's Compensation insurance, bank charges, miscellaneous supplies and equipment, staff recruiting expenses, ongoing rent, state tax and license fees, deposits, prepaid expenses, and other miscellaneous items. The preceding list is by no means intended to be exhaustive of the extent of possible categories of expenses. The expenses you incur during the start-up period will depend on factors such as local economic and market conditions, your business experience, and the amount of business you generate.

Note 9. We have relied on our experience operating affiliate-owned Junk Punks® business to compile these estimates. These figures are estimates of your initial expenses covering the pre-opening period and your initial three months of operation. Additional funds will be required to finance operations until a positive cash flow is produced.

Unless otherwise noted, all fees payable to us are nonrefundable. Refundability of fees paid to third parties depends upon their policies.

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ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Authorized Products and Services

We have the right to require that furniture, fixtures, signs, equipment, vehicles, products, supplies, and services that you purchase for resale or purchase or lease for use in your Franchised Business: (i) meet specifications that we establish from time to time; (ii) be a specific brand, kind, or model; (iii) be purchased or leased only from suppliers or service providers that we have expressly approved; and/or (iv) be purchased or leased only from a single source that we designate (which may include us or our affiliates or a buying cooperative organized by us or our affiliates).

You must offer to customers only the products and services we approve in writing. In addition, you must offer the specific Services that we require in the Manual or otherwise in writing. We may change these specifications periodically, and we may designate specific Services as optional or mandatory. You must offer all Services that we designate as mandatory. You must maintain a sufficient supply of required products to meet the inventory standards we prescribe in the Manual (or to meet reasonably anticipated customer demand, if we have not prescribed specific standards).

Currently, you must purchase the following items pursuant to our specifications: computer hardware and software, equipment, signs, supplies, tools, vehicles, truck equipment, trailers, advertising materials, employee uniforms, insurance. While we do not currently do so, we may designate the site of the Franchised Location in the future.

Currently, you must purchase the following from our specific vendors:

Product or Service	Supplier
Initial supply of business cards, uniforms, other branded materials and supplies	Us or our affiliate, JPM
Vehicle	Isuzu or other vendor that we approve
Fleet Management System	Linxup (managed through us)
Email and productivity platform	Google Workspace (managed through us)
Proprietary Junk Punks Software Systems (Operations, Calls, and Scenarios by Junk Punks)	Us or our affiliate, JPM
Bookkeeping Services	Us or our affiliate, JPM
Customer Relationship Management and Scheduling Software	Workiz or other vendor that we approve
Accounting Software	Quickbooks or other vendor that we approve
Payroll and Human Resources Software	Gusto (premium plan or approved equivalent)
Security Camera System	Blink or other vendor that we approve

Insurance

You shall procure and maintain in effect such insurance as we may specify in the Manual and name us, our affiliates, or such parties as we may specify in the Manual, as an additional insured and furnish proof of such insurance us and shall require the insurers to defend you, us, and our affiliates, jointly and severally, in all claims and actions to which the insurance coverage are applicable. Every insurance policy of yours required by this Agreement shall provide that coverage is primary/non-contributory. Your policies must include waivers of subrogation and such waivers must accompany the certificate of insurance.

Our current Manual requires the following insurance policies and amounts of coverage:

1. comprehensive general liability and property damage insurance, including personal and bodily injury liability, contractual liability, employers' liability, and owners' and contractors' protective insurance coverage with respect to the activities conducted by Franchisee and any employee, agent or other person performing work on behalf of Franchisee with respect to the Franchised Business, with a policy limit of not less than \$1,000,000 general liability coverage (including personal injury) or such greater amount as may be specified in writing by Franchisor, not less than \$100,000 per occurrence for damage to rental premises or such greater amount as may be specified in writing by Franchisor from time to time, and not less than \$5,000 medical coverage for any one person or such greater amount as may be specified in writing by Franchisor;
2. reasonable business interruption insurance in respect of the Franchised Business with a policy limit not less than that which may be prescribed by Franchisor;
3. owned and non-owned vehicle liability insurance with a policy limit of not less than \$1,000,000 per occurrence or such other amount as maybe specified in writing by Franchisor for any vehicle used to any extent in the Franchised Business; and
4. the greater of (i) workers' compensation as required under applicable law; or (b) our minimum Workman's Compensation insurance requirements.

Whether the franchisor or its affiliates are approved suppliers or the only approved suppliers of that good or services.

Currently, we are an approved supplier of advertising materials and certain supplies and equipment, but not the only approved supplier. We reserve the right to designate us or our affiliates as approved suppliers or the only approved suppliers for other goods or services.

Currently, our affiliate JPM is the only approved supplier of:

Product or Service	Supplier
Initial supply of business cards, uniforms, other branded materials and supplies	Us or our affiliate, JPM
Fleet Management System	Linuxup (managed through us)
Email and productivity platform	Google Workspace (managed through us)
Proprietary Junk Punks Software Systems (Operations, Calls, and Scenarios by Junk Punks)	Us or our affiliate, JPM
Bookkeeping Services	Us or our affiliate, JPM

Any supplier in which an officer of the franchisor owns an interest.

Officers own an interest in our affiliate, JPM.

How we grant and revoke approval of alternative suppliers.

If you would like to offer Services or use any supplies, furniture, fixtures, equipment, or services that we have not approved or to purchase or lease from a supplier or service provider that we have not approved, you must submit a written request for approval and provide us with any information that we request. We have the right to inspect the proposed supplier's facilities and test samples of the proposed products and to evaluate the proposed service provider and the proposed service offerings. Proposed suppliers may be required to come

to our offices in order for us to make an evaluation. You agree to pay us an amount not to exceed the reasonable cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. We do not currently disclose our criteria for supplier approval.

We have the right to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on our judgment. We will notify you in writing of our decision as soon as practicable following our evaluation. If you do not receive our approval within 30 days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request. You acknowledge that the products and services that we approve for you to offer in your Franchised Business may differ from those that we permit or require to be offered in other Junk Punks® businesses.

We reserve the right to re-inspect the facilities and products of any approved supplier and to reevaluate the services provided by any service provider at and to revoke approval of the item, service, supplier, or service provider if any fail to meet any of our then-current criteria. If we revoke approval of a previously-approved product that you have been selling to customers or service that you have been offering to customers, you must immediately discontinue offering the service and may continue to sell the product only from your existing inventory for up to 30 days following our disapproval. We have the right to shorten this period if, in our opinion, the continued sale of the product would prove detrimental to our reputation. After the 30-day period, or such shorter period that we may designate, you must dispose of your remaining formerly-approved inventory as we direct.

How we issue and modify specifications.

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

Revenue from required purchases or leases.

During our fiscal year ending December 31, 2024, we did not receive any revenue from required purchase or leases from franchisees.

We or our affiliates reserve the right to receive revenues or profits or other material consideration, including rebates, from the purchases you make from us, our affiliates, or from other approved suppliers.

Proportion of required purchases and leases.

The purchase and lease of items from approved suppliers or that meet our specifications represent approximately 90% of your total expenses in connection with the establishment of the Franchised Business, and approximately 10% of your total expenses in connection with the ongoing operation of the Franchised Business.

Purchasing or distribution cooperatives.

We do not currently have purchasing or distribution cooperatives.

Franchisor negotiation of purchase arrangements with suppliers.

Currently, we negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees but reserve the right to cease such activity in the future.

Material Benefits to You.

We do not provide material benefits to you based on your purchase of particular products or services or use of particular suppliers. However, when your franchise agreement is up for renewal, we require you to be in compliance with your franchise agreement, which includes compliance with any supplier standards in our Manual.

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ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement ("FA")	Disclosure Document Item
a. Site selection and acquisition/lease	FA: 2.3	11
b. Pre-opening purchases/leases	FA: 2.3, 7.1	8
c. Site development and other pre-opening requirements	FA: 2.3	8
d. Initial and ongoing training	FA: 14	11
e. Opening	FA: 2.3	11
f. Fees	FA: 1.1, 3, 4, 5.6, 6.1, 8.1, 8.10, 10.4, 14.1, 19(b), 20.3(b), 23.13, 24.2, 24.11	5, 6, and 7
g. Compliance with standards and policies/operating manual	FA: 6, 7.1, 7.2, 8.1, 8.2, 8.4, 8.9, 13.2	11
h. Trademarks and proprietary information	FA: 2.1, 12, Sched. B	13 and 14
i. Restrictions on products/services offered	FA: 5.4, 8.2, 8.3, 8.7, 8.9, 8.11	1, 8, and 16
j. Warranty and customer service requirements	FA: 8.4	11
k. Territorial development and sales quotas	FA: N/A	N/A
l. Ongoing product/service purchases	FA: 5, 6, 7	11
m. Maintenance, appearance and remodeling requirements	FA: 7.2, 8.1	11
n. Insurance	FA: 13.1	7, 8
o. Advertising	FA: 6	6 and 11
p. Indemnification	FA: 24.1	6
q. Owner's participation/management/ staffing	FA: 2.6, 11	15
r. Records/reports	FA: 10	6
s. Inspections/audits	FA: 10.4, 10.5	6 and 11
t. Transfer	FA: 20	17
u. Renewal	FA: 19	17
v. Post-termination obligations	FA: 18	17
w. Non-competition covenants	FA: 21	17
x. Dispute resolution	FA: 23	17

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ITEM 10 FINANCING

We approve franchisees for financing on a case-by-case basis, but we generally offer financing to employees of at least three months who would like to own their own franchise, or to experienced business owners operating in the same industry. The following table summarizes the financing terms we offer for the Initial Franchise Fee:

Item Financed	Source of Financing	Down Payment	Amount Financed	Term (Yrs)	Interest Rate	Prepay Penalty	Security Required
Initial Franchise Fee	Franchisor or Affiliate	Varies	Up to the full Initial Franchise Fee	1-2 years	0% if 1-year term 10% if 2-year term	None	Secured by assets of your Franchised Business

Financing will be evidenced by a Secured Promissory Note, a form of which is attached to this Disclosure Document as Exhibit 4-1, and a Security Agreement, a form of which is attached to this Disclosure Document as Exhibit 4-2. If you default under the Secured Promissory Note, we may accelerate your obligation to pay amounts due, plus costs, attorneys' fees, and default interest, and terminate your Franchise Agreement and foreclose on the collateral securing the note.

If you operate the franchised business through a business entity, you will be required to personally guaranty the Secured Promissory Note. The Secured Promissory Note requires you to waive defenses by reason of extension of time for nonpayment, demand, presentment, notice of non-payment, dishonor and protest. The Secured Promissory Note requires you to waive your right to a jury trial, and requires you to submit to the jurisdiction of courts in Pinellas County, FL. Florida law governs any dispute under the Secured Promissory Note.

We do not intend to sell, assign or discount to a third party all or any part of the note.

Except as described above, we do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

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

Except as listed below, Junk Punks is not required to provide you with any assistance.

Pre-Opening Obligations:

Before you open your business, Junk Punks will:

1. Designate an exclusive territory (*see* Franchise Agreement, Section 2.2);
2. Provide marketing materials and other sales aids developed by us and provide promotional assistance (*see* Franchise Agreement, Section 14.4);
3. Loan you one copy of the Manual, as revised from time to time (*see* Franchise Agreement Sections 2.1 and 14.4);
4. Provide an initial training program for you (or, if you are not an individual, your Operating Principal) and up to three additional representatives, which you all must complete to our satisfaction. The training covers all aspects of the business operating system, consisting of both in-class training and in-field training; and
5. Provide you with a current list of our current specifications and approved vendors for various required products and services. Other than certain advertising materials, which you may purchase from us, we and our affiliates will not procure, deliver, or install any of the products that you must use in the Franchised Business.
6. Provide access to the Program, including certain software systems, the call center system, lead management system and marketing management system.

Site Selection:

We require you to operate your Franchised Business from a location within the Territory with sufficient parking for your truck and trailer and with access to a nearby landfill. We do not require you to lease a building, office space, or warehouse. You must obtain our prior written approval before relocating the Franchised Business. Typically, your space is not open to the public. If requested, we will offer our recommendations on preferred key locations, but we are not obligated to provide any other site selection assistance.

We must approve the location prior to entering into a lease or purchase agreement for the proposed site. You must seek and obtain our written approval for the proposed site and must provide us with any information that we reasonably request to make such determination. Site selection requirements are found in the Manual. Typically, if you locate a site meeting these criteria, we will approve your site within five business days. We base our decision on the location's access to major roadways and proximity to landfills with good operations and pricing, and high frequency of junk removal services. You must obtain the site for the Franchised Business prior to opening. Otherwise, there is no timeline within which you must obtain a site for the Franchised Business. We do not provide any assistance with conforming the premises to comply with local ordinances and building codes, acquiring permits, or constructing, designing, or remodeling your space.

We do not currently, but may in the future, designate the site for the Franchised Business. We do not currently, but may in the future, own the site for the Franchised Business and lease it to you.

Length of Time Before Opening of Franchised Business:

You are required to be open and be operational by the Effective Date that you and we will agree to and specify in Schedule A of your Franchise Agreement. The expected typical length of time between the signing of the Franchise Agreement and the operation of the Franchised Business is 5 to 12 weeks. Factors affecting this length of time include the time it takes to find and lease a suitable location for the Franchised Business, the time it takes for delivery of the trucks, the time it takes to find and hire suitable employees, and your availability for attending the training session in Tampa, FL.

Obligations During Operation of Franchise:

During the operation of the Franchised Business, we will:

1. Loan you a copy of our confidential Manual and provide you with access to any updates (*see* Franchise Agreement, Section 14.4);
2. Operate the Customer Call Center (*see* Franchise Agreement, Section 5.1);
3. Provide access to the Program, including certain software systems, the call center system, lead management system and marketing management system (*see* Franchise Agreement, Section 5.3);
4. Administer and maintain the Customer Call Center Fund (*see* Franchise Agreement, Section 5.6);
5. Provide you with general advice, assistance and field support as we deem helpful to you in the ongoing operation, advertising and promotion of the Franchised Business (*see* Franchise Agreement, Sections 14.4 and 14.5);
6. Coordinate and conduct periodic training programs for franchisees as we in our sole discretion deem necessary (*see* Franchise Agreement, Section 14.4(c)); and
7. Subject to applicable law, recommend and establish minimum and maximum pricing.

Advertising and Marketing Program

Advertising Fund

We or our affiliates will administer a Advertising Fund to promote Franchised Businesses on a system-wide basis. Upon the opening of your Franchised Business, you must begin paying a monthly Advertising Fund contribution equal to 2% of your Gross Revenues. We reserve the right to defer or reduce contributions of any or all Franchised Business franchisees and, upon 30 days' prior written notice to you, to reduce or suspend contributions to and operations of the Advertising Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Advertising Fund. See Franchise Agreement, Section 6.3.

All affiliate-owned Franchised Businesses will not contribute to the Advertising Fund.

We or our designee will maintain and administer the Advertising Fund as follows:

a. The Advertising Fund will be intended to maximize general public recognition and acceptance of the Marks and to enhance the collective success of all Franchised Businesses. We or our affiliate will direct all advertising programs produced using the Advertising Fund, and will have sole discretion to approve or disapprove the creative concepts, materials, and media used in those programs, the placement of the advertisements, and the allocation of the money in the Advertising Fund to production, placement, or other costs. The Advertising Fund may be used to pay the costs of preparing and producing video, audio, and written advertising materials; administering national, regional, and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; developing marketing and advertising training programs and materials; conducting market research and secret shopper programs; creating, maintaining, and optimizing the System Website, other websites, and applications; implementing keyword or adword purchasing programs; conducting and managing social media activities; and supporting public relations and other advertising, promotion and marketing activities.

b. In administering the Advertising Fund, we and our designees are not required to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that you or any particular Franchised Business benefits directly or pro rata from the placement of advertising. We are not required to spend any advertising monies in your Territory.

c. The Advertising Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead, including rent and utilities, as we may incur in activities related to the administration of the Advertising Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Advertising Fund. We have no fiduciary duty to you, or any other franchisees, or your or their respective owners with regard to the operation or administration of the Advertising Fund.

d. We may spend in any fiscal year an amount greater or less than the contributions to the Advertising Fund in that year, and the Advertising Fund may borrow from us or other lenders to cover deficits of the Advertising Fund. If we lend money to the Advertising Fund, we may charge interest at an annual rate 1% greater than the rates we pay our lenders. If excess amounts remain in the Advertising Fund at the end of the year, the money will remain in the Advertising Fund in the next year.

e. An unaudited statement of the operations of the Advertising Fund will be prepared annually by us. If you submit a written request to us requesting to review the statement, we will provide you with a copy of the statement. We may, from time to time, cause the Advertising Fund to be audited, but there is no requirement to do so.

f. Although the Advertising Fund is intended to be of perpetual duration, we may terminate the Advertising Fund. If the Advertising Fund is terminated, all unspent monies, less any outstanding accounts payable and other obligations, on the date of termination will be distributed to our franchisees in proportion to their respective contributions to the Advertising Fund during the preceding 12-month period.

g. There is no contractual restriction on our right to use monies from the Advertising Fund for preparation of franchise sales solicitation materials. However, we do not anticipate using the Advertising Fund for such purposes, other than including a brief statement about the availability of franchises in items produced and/or distributed using the Advertising Fund.

h. In the last fiscal year ended December 31, 2024, no monies were spent from the Advertising Fund.

Use of Own Advertising Material

You may only develop and use your own advertising materials with our prior written consent. We will endeavor to approve all proposed advertising materials within 30 days that you submit them to us. In the event we do not approve the materials within that time period, the materials will be deemed disapproved. You agree that each submission of advertising and promotional materials shall constitute an irrevocable and perpetual assignment to us of the copyright with respect to such submission, and upon each such submission the contents shall be deemed to be part of the Know-How. See Franchise Agreement, Section 6.1.

We alone may establish, maintain, modify or discontinue all Internet, World Wide Web and electronic commerce activities pertaining to the Junk Punks® system. We have established one or more Websites, and we may design and provide for the benefit of your Franchised Business a “click through” subpage at our Website. The term “Website” includes, without limitation, pages or other communications that can be accessed through the Internet, World Wide Web, landing pages, social media and networking sites (such as Facebook, X, LinkedIn, YouTube, Instagram, Yelp, Google Business, virtual worlds, file, audio and video-sharing sites, or any other social media and/or networking site we designate), blogs, vlogs, and other applications.

If we establish one or more Websites or other modes of electronic commerce and if we provide a “click through” subpage at the website(s) for the promotion of your Franchised Business, we may require you to provide us or our designated vendor with updated copies, photographs and news stories about your Franchised Business in accordance with our standards and specifications as set forth in the Manual or otherwise. We reserve the right to specify the content, frequency and procedure you must follow for updating your “click through” subpage, and to require you to use designated or approved suppliers for the establishment, use, maintenance, and/or updating such “click through” subpage.

You are not permitted to promote your Franchised Business in any manner on any Websites without our prior written consent, as that promotion is advertising and trademark use that is subject to our review and approval. However, we may require you to establish and maintain social media pages or profiles, which may include, without limitation, Facebook, X, LinkedIn, YouTube, Pinterest, Instagram, Yelp, Google Business, or any other social media and/or networking site we designate. You must comply with the Program and any standards set forth in the Manual regarding the establishment, use, appearance, maintenance, and updating of social media pages and profiles. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material, which appears on any Website you or we establish and maintain, including any and all material you may furnish to us for your “click through” subpage, and including all social media and networking accounts, postings and related materials. See Franchise Agreement Section 6.6.

Advertising Cooperative

You must join and actively participate in any Advertising Cooperatives that we form in your area and to abide by the bylaws, rules, and regulations duly required by the Advertising Cooperative, which we have the right to mandate or approve. If you join an Advertising Cooperative, the Advertising Cooperative may require you to spend additional funds on marketing programs conducted by the Advertising Cooperative, which may be in addition to your Advertising Fund Fee. We will have the right to approve any marketing materials or marketing programs developed by any Advertising Cooperative in the same manner as local advertising. See Franchise Agreement, Section 6.6.

Franchisor-owned outlets will not have to contribute to the advertising cooperatives. We are responsible for administering the cooperatives. The cooperatives will operate from written governing

documents. Cooperatives will not prepare any financial statements. These governing documents are available for review upon receipt of your written request. We have the right to require cooperatives to be formed, changed, dissolved, or merged.

Computer and Software Requirements

You must install and maintain a computer system according to our specifications as listed in the Manual. At present we require a laptop or desktop computer, e-mail and internet access, and the following software systems:

System	Cost
Fleet Management System (Linux managed through us)	Currently, \$35 - \$50 per vehicle per month, plus an estimated one-time fee of \$99 per device
Email and productivity platform (Google Workspace managed through us)	Currently, \$12 per user per month
Proprietary Junk Punks Software Systems (Operations, Calls, and Scenarios by Junk Punks)	\$10 per user per month
Bookkeeping Services	2% of Gross Revenues
Customer Relationship Management and Scheduling Software (Workiz or other vendor that we approve)	\$300 - \$400 per month, plus approximately \$50 per month per additional user after five users
Accounting Software (Quickbooks or other vendor that we approve)	\$275 per month
Payroll and Human Resources Software (Gusto - premium plan or approved equivalent)	\$180 per month, plus approximately \$22 per employee per month
Security Camera System (Blink or other vendor that we approve)	\$12 per month

In addition to the software licensing and subscription costs listed above, the cost of purchasing the computer equipment and software, if not already owned by you, is estimated to be approximately \$1,500, plus approximately \$500 per month. The estimated annual cost for maintenance, updating, upgrading and support contracts related to the computer equipment is \$200.

You must grant us full administrative access to software systems, including the ability to view all operational and performance data, and including edit permissions. We will have independent access to the information that will be generated or stored in the computer systems, and there are no contractual limitations to our right to access this information.

Operations Manual

Exhibit 8 contains the Table of Contents of the Manual. The Manual has 76 pages.

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Training Program

You must complete our initial training program to our satisfaction prior to the scheduled opening date of the Franchised Business (as specified in the Franchise Agreement). An outline of our initial training program is as follows (*see* Franchise Agreement, Section 14.1):

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The- Job Training	Location
Business Operations and Systems	50	0	Online
In Person and on the truck training	0	50	Tampa, FL
Total	50	50	

The initial training session generally includes two weeks of online courses and one week of in-person training. In-person training takes place at our principal offices in Tampa, FL; online courses may be completed anywhere. We will generally conduct the initial training program one to four times per quarter or as often as the number of new franchisees requires.

There is currently no charge for attendance at initial training for you (or, if you are not an individual, your Operating Principal) and up to one additional management-level employee. Any replacements for your required trainees must also complete initial training. We do not train your other employees or provide you with advice related to hiring employees. We do not charge a fee for additional training that we require.

The courses are taught by Tanner Suarez, with assistance provided by Muadin Jusufi. Tanner Suarez, our Director of Franchise Development, has been with us since June 2025, and has five years of experience in location acquisition and opening specific to the junk removal business. Muadin Jusufi, our field operations manager has over three years of operational experience and over one year of experience with us. Instructional materials used include the operations manual and instructional videos for each topic.

From time to time, we or our designee may, in our sole discretion, offer additional training programs to you. Such training may be offered electronically or live at various locations. We may require you to cause certain owners or employees to attend and successfully complete any additional training programs that we designate as mandatory. We do not charge a tuition fee for such additional training.

For all training programs, including initial and refresher training programs, you must pay for all travel and living expenses for you and your attendees.

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ITEM 12 TERRITORY

Your Territory will be a geographical area containing a specific number of persons based on the U.S. Census Bureau or such other source as we feel is reliable, and must be one or more full counties (no partial counties). You may purchase a Territory in the size range from 400,000 to 3,000,000 people, though we expect our typical Territory to contain approximately 1,000,000 people. You and we will agree to your Territory and it will be described in Schedule A to the Franchise Agreement before you execute it.

You will receive an exclusive territory in which to operate the Franchised Business. This means that we and our affiliates will not operate, or license a third party to operate, a Franchised Business within the Territory offering the same or similar Services under marks that are the same or similar to the Marks.

Continuation of territorial exclusivity does not depend on achieving a certain sales volume, market penetration, or other contingency. However, we may decline to renew the Franchise Agreement if you fail to achieve \$2 million in total sales in your first three years and fail to achieve 1,000 5-star reviews on Google or another customer review platform like Angie's List or Yelp.

Except as provided above, we and our affiliates have the right 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 Franchised Business. For example, without limitation, we and our affiliates have the right to:

- (i) establish or license franchises and/or company-owned businesses offering similar or identical products and services and using the Program or elements of the Program, whether or not under the Marks, anywhere outside of the Territory;
- (ii) sell or offer, or license others to sell or offer, any products or services using the Marks or other marks through alternative distribution channels, including, without limitation, through e-commerce or retail sales anywhere, including inside and outside of the Territory, without paying any compensation to you for any sales made in the Territory;
- (iii) advertise, or authorize others to advertise, using the Marks anywhere, including inside and outside of the Territory; and
- (iv) acquire, be acquired by, or merge with other companies with existing junk removal businesses anywhere (including inside or outside of the Territory) and, even if such businesses are located in the Territory, (a) permit the other businesses to continue to operate under another name, and/or (b) permit the businesses to operate under another name and convert existing Franchised Businesses to such other name.

While we reserve the right to do so, we and our affiliates do not operate, franchise, or have plans to operate a franchisee under a different trademark that offers or sells goods or services similar to the Services. We have no obligation to pay you for soliciting or accepting orders inside your Territory.

You may provide services to customers outside of your Territory; provided that, such customers are not in the territory of another franchisee. Other than that, you are prohibited from soliciting or providing services to customers outside of your Territory, including solicitations to such customers located outside of the Territory through the Internet, telemarketing, or other direct marketing, unless we consent otherwise in writing.

Your Franchised Location must be located within your Territory. If you would like to relocate the Franchised Location, you must seek and obtain our written approval for the proposed site and must provide us

with any information that we reasonably request for us to make such determination. We will approve the relocation if the site (i) meets our standards, specifications, and site selection criteria and (ii) is located in the Territory.

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

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ITEM 13 TRADEMARKS

The Franchise Agreement grants you the right to use the Marks in accordance with our specifications and standards. The following Mark is registered with the U.S. Patent and Trademark Office (“USPTO”) and have filed all required affidavits and renewals:

Description of Mark	Serial/ Registration Number	Principal or Supplemental Register of the USPTO	Filing/Registration Date
JUNK PUNKS	7561899 (R)	Principal	November 12, 2024

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

We have the right to use and license the use of the Marks to franchisees under a License Agreement with our founders, Logan Sullivan and Ryder Radke (the “**Licensors**”). The License Agreement provides that the Licensors have the right to specify, inspect, and oversee the quality standards of our services and products to assure the protection, enhancement, and goodwill of the Marks. The License Agreement is of perpetual duration and will remain in effect unless terminated by us or the Licensors. If we breach the License Agreement, or if the License Agreement is otherwise terminated, you may lose your rights to use the Marks.

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

We have the sole right to control any administrative proceeding or litigation involving a trademark licensed by us to you. We will participate in your defense if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you. We are not obligated to indemnify you against any loss or damage incurred by you as a result of a successful claim of infringement brought by a third party and related to your use of the Marks in accordance with the terms of the Franchise Agreement.

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

Except as disclosed above, we do not know of either superior prior rights or infringing uses that could materially affect your use of our Marks anywhere. Other than as disclosed in this Item 13, there are no currently effective agreements that significantly limit our rights to use or license the use of our trademarks listed in this section.

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ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not register claims in patents or copyrights that are material to our business, but we do claim proprietary rights and copyrights to the confidential information contained in the Manual. We also claim copyrights on operational materials specifically associated with the Program, including the proprietary advertisements, all materials presented to prospective customers, printed materials and forms associated with the operation of a Franchised Business. You must promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action, but we will respond to this information as we deem appropriate. We will not indemnify you for losses claimed by a third party concerning your use of this information. You may incur additional expenses if we require you to modify or discontinue the use of any materials covered by a copyright, and we are not obligated to reimburse you for such expenses.

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

We require that your Franchised Business be under the direct supervision at all times of your Operating Principal or a Manager. If you are an individual, you will generally be the person who acts as Manager, but the Manager can be any person so long as they have successfully completed training, meet our brand standards, work full-time (at least 35 hours per week) for the Franchised Business, and are not actively engaged in any other business during the required hours of operation of the Franchised Business. The Manager is not required to own any equity interest in you or the Franchised Business.

Your Operating Principal must have at least a 20% ownership interest in your entity and must have authority over all business decisions related to your Franchised Business and must have the power to bind you in all dealings with us. You may not change your Operating Principal without our prior approval.

We may request that you cause your Managers and any other individuals that we designate to sign a form of confidentiality agreement approved or provided by us. We will require you to cause your Managers to sign a non-compete agreement approved or provided by us.

If you are an entity, we require all of the owners of a legal and/or beneficial interest in your entity to sign our current form of guarantee, in which they personally must guarantee the full and complete performance of the Franchise Agreement by you. A copy of our current form of guarantee is attached as Schedule C to the Franchise Agreement attached as Exhibit 3 to this Disclosure Document. We do not require owners' spouses to sign the guarantee unless they too are owners.

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ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL

You agree we have the right to approve all goods and services that you sell at or through your Franchised Business. You agree to offer all goods and services that we require. You may not sell any goods or services that we have disapproved. We have the unrestricted right to change the goods and/or services that you have agreed to sell as part of your Franchised Business at any time in our sole discretion, and you will comply with any such change.

All products and services you use, offer or sell at your Franchised Business will conform to our standards and specifications. These are described in our Manuals and other writings. You must not deviate from our standards and specifications unless we first give you our written consent. You also must comply with all applicable laws and regulations and secure all governmental approvals for the operation of your Franchised Business.

We may periodically modify the Program, and any such modifications may obligate you to invest additional capital in your Franchised Business and/or incur higher operating costs. Such modifications will not alter your fundamental status and rights under your Franchise Agreement. You must comply with all modifications to Program within the time period we specify. You must repair, replace or refurbish your equipment, vehicles or trailers to meet our system standards. In addition to your obligation to maintain all vehicles and equipment to meet our system standards, you must make any upgrades and replacements of any equipment, computer hardware or software specifications as we require from time to time. We may also periodically require you to renovate the trade dress used on your vehicles, marketing materials, or at your business office. These updates may require you to implement new color schemes, signage, marketing materials or other visual elements. You must adapt to all of these upgrade requirements within 60 days of our notice to you to do so.

All advertising, promotion and marketing will (i) be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe from time to time and (ii) conform to such standards and requirements as we may specify to conform to regulatory requirements. Samples of all advertising, promotional and marketing materials which we have not prepared or previously approved must be submitted to us for approval before you use them.

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ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	2.5	3 years
b. Renewal or extension of the term	19	One additional 3-year term.
c. Requirements for you to renew or extend	19	Extension or renewal is permitted only if you are in full compliance with franchise agreement. To renew, you must give notice, sign then-current Franchise Agreement (which may have materially different fees, terms, and Territory), execute a general release and pay a renewal fee.
d. Termination by you	15	Only in accordance with applicable law.
e. Termination by us without cause	2.5	If you do not renew, franchise will terminate at expiration of initial term.
f. Termination by us with cause	16.3	We may terminate you if there is a “Material Default,” which are outlined in g. and h.
g. “Cause” defined — curable defaults	16.1	Failure to pay monies owed to us or a third party; failure to comply with other provisions of the franchise agreement; failure to open on the scheduled opening date.
h. “Cause” defined — non- curable defaults	16.1	“Material Default” for failure to pay within 30 days of written notice, comply with Franchise Agreement or commence operations after time to cure; default in Vehicle loan; insolvency; attempted assignment or transfer without consent; misuse of trademarks; false reports; illegal or misleading business acts; failing to comply with government regulation; criminal conviction of your owners, officers or directors, or 3 or more notices in any 12-month period.
i. Your obligations on termination/non-renewal	18	Within 15 days pay, by bank draft, all outstanding amounts payable to us; stop identifying yourself as a Junk Punks franchisee, never hold out as a former Junk Punks franchisee and cease, and not thereafter commence, use of any of our Marks or any marks which are likely to be confused with our marks; return to us the Manual, all advertising and training materials and all other confidential information relating to the Program;

Provision	Section in Franchise Agreement	Summary
		change the color scheme of the Franchised Location and Vehicle; grant Power of Attorney.
j. Assignment of contract by us	20.8	We may assign our rights and obligations in the Franchise Agreement in whole or in part. If we make a full assignment to a third party who assumes all of the obligations and liabilities of Franchisor, then Franchisor shall automatically be released from all obligations and liabilities under this Agreement.
k. "Transfer" by you – defined	20.1 and 20.2	An assignment of an interest in the Franchise Agreement or the Franchised Business. Or material change of more than 20% of voting units in ownership of Franchisee.
l. Our approval of transfer by franchisee	20.1	You must obtain our written approval before any transfer.
m. Conditions for our approval of transfer	20.1, 20.3	We must approve advertising and the transferee. You must pay the transfer fee, return materials, sign a release form, and be in good standing of any agreement between you and us. Transferee must sign our current assignment or then-current Franchise Agreement (which may have materially different terms or fees); complete training; assignment of Vehicle loan signed and sign a release form.
n. Our right of first refusal to acquire your business	20.7	We have a right to buy your business if you decide to sell.
o. Our option to purchase your business	20.7	We have the right to buy your business if you decide to sell, or upon termination or expiration of the franchise agreement.
p. Your death or disability	20.6	Estate has 6 months to assign to qualified person
q. Non-competition covenants during the term of the franchise	21	You or your owners may not directly or indirectly engage in the provision of junk collection or removal services anywhere..
r. Non-competition covenants after the franchise is terminated or expires	21	For 2 years after termination or expiration, you or your owners may not directly or indirectly engage in the provision of junk collection or removal services anywhere within the Territory or within 25 miles of the boundaries of the Territory.
s. Modification of the agreement	24	Writing signed by you and us

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	24	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
u. Dispute resolution by arbitration or mediation	23	You must submit any claims to mediation first before bringing suit. Arbitration is not applicable except to the extent provided in State Addenda.
v. Choice of forum	23	Any litigation must be tried in Pinellas County, Florida (except as modified by applicable state law or Addenda to the Franchise Agreement).
w. Choice of law	23	Florida law governs (subject to applicable state law).

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ITEM 18 PUBLIC FIGURES

Junk Punks does not use any public figure to promote its franchises.

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ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

The following table displays the historical Gross Revenue and Job Count results of all company-owned Junk Punks® businesses for each of the fiscal years 2024 and 2025. As of the date of this disclosure document, there are no franchised Junk Punks® businesses. We have not excluded any Junk Punks® business from this Item 19.

2024			
Territory	Job Count	Gross Revenue Per Job	Total Gross Revenue
Pinellas and Pasco County, FL	1,328	\$517.77	\$687,605
Hillsborough County, FL	979	\$412.99	\$404,314
Milwaukee, WI (see Note 4)	864	\$395	\$341,404
Madison, WI (see Note 4)	865	\$395	\$341,404
2025			
Territory	Job Count	Gross Revenue Per Job	Total Gross Revenue
Pinellas and Pasco County, FL	2,437	\$438.84	\$1,069,462
Hillsborough County, FL	2,024	\$442.50	\$895,616
Milwaukee, WI (see Note 4)	1,242	\$553	\$687,304
Madison, WI (see Note 4)	1,242	\$553	\$687,304
Manatee and Sarasota County, FL	733	\$490.03	\$359,194

Note to Item 19:

1. **"Gross Revenue"** means the aggregate sales price of all products and services sold by the Junk Punks® business, in connection with or arising out of the operation of the Junk Punks® business, excluding (1) the amount of any good faith refund or credit given in respect of any services provided to a customer of the business in the ordinary course of business, and (2) any amounts collected by the business and paid out to a governmental authority on account of sales tax, or other taxes imposed upon the sale of goods or services by the business and which the business is not entitled to subsequently recover.

2. **"Job Count"** means the number of junk hauling jobs performed by the business.

3. **"Gross Revenue Per Job"** is calculated by dividing Gross Revenue by Job Count.

4. We operate Milwaukee and Madison as a single business and do not have separate accounts for these locations. However, based on population and size, we consider these locations to be separate

territories, and therefore, we have taken total Job Count and Gross Revenue for the Milwaukee-Madison business and divided it by two to produce the data in the table.

5. If a business opened during the year 2024 or 2025, partial data is included for that year. The Manatee and Sarasota, FL location opened in January 2025.

6. All businesses disclosed in this Item 19 provide the same types of goods and services that you will be providing.

7. The earnings claims figures do not reflect the costs or expenses that must be deducted from the Gross Revenue figures to obtain your net income or profit. Franchisees or former franchisees may be one source of this information.

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

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Logan Sullivan, at Junk Punks Franchising Company LLC, 8800 49th Street N, Suite 203, Pinellas Park, FL 33782; 262-443-4513, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

**System- Outlet Summary
For Years Ending December 31, 2023, 2024, and 2025**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned ⁽¹⁾	2023	1	4	+3
	2024	4	4	0
	2025	4	5	+1
Total Outlets	2023	1	4	+3
	2024	4	4	0
	2025	4	5	+1

(1) All “company-owned Businesses are owned by an affiliate. We do not own or operate any Business.

Table No. 2

**Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
for Years Ending December 31, 2023, 2024, and 2025**

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
Total	2023	0
	2024	0
	2025	0

Table No. 3

**Status of Franchised Outlets
For Years Ending December 31, 2023, 2024, and 2025**

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Reacquired by Franchisor	Ceased Operation - Other Reasons	Outlets at End of Year
All states	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Totals	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

Table No. 4

**Status of Company-Owned⁽¹⁾ Outlets
For Years Ending December 31, 2023, 2024 and 2025**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Florida	2023	1	1	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	1	0	0	0	3
Wisconsin	2023	0	2	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
Totals	2023	1	3	0	0	0	4
	2024	4	0	0	0	0	4
	2025	4	1	0	0	0	5

(1) All “company-owned Businesses are owned by an affiliate. We do not own or operate any Business.

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

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (2026) ⁽¹⁾	Projected New Company-Owned Outlets in the Next Fiscal Year (2026)
Florida	0	8	0
Total	0	8	0

Exhibit 6 contains a list of names of all franchisees and the addresses and telephone numbers of their Franchised Businesses.

Exhibit 7 contains the name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. 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 trademark-specific franchisee organizations associated with the franchise system being offered.

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ITEM 21 FINANCIAL STATEMENTS

Exhibit 9 contains our unaudited opening balance sheet. Because this is our first year selling franchises, we do not have available, and we cannot yet include, three full years of audited financial statements. Our fiscal year ends on December 31.

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ITEM 22 CONTRACTS

The following contracts are attached as exhibits to this Disclosure Document:

Exhibit 3	Franchise Agreement
	Schedule A – Franchisee-Specific Information
	Schedule B – Guarantee
	Schedule C – Authorization Agreement for Prearranged Payments
	Schedule D – State Addenda to the Franchise Agreement
Exhibit 4-1	Secured Promissory Note
Exhibit 4-2	Security Agreement
Exhibit 5	Release
Exhibit 10	Franchisee Disclosure Acknowledgement Statement

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ITEM 23 RECEIPTS

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

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EXHIBIT 1
TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF
PROCESS

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
California	Department of Financial Protection and Innovation <i>Los Angeles</i> 320 West 4th Street Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500 <i>Sacramento</i> 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 <i>San Diego</i> 1350 Front Street, Room 2034 San Diego, CA 92101-3697 (619) 525-4233 <i>San Francisco</i> One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565 Toll Free (866) 275-2676	Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48909 (517) 335-7567	
Minnesota	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	New York State Department of Law Bureau of Investor Protection and Securities 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236	New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 12231-0001
North Dakota	Office of Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, ND 58505-0510 (701) 328-4712	

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Department of Labor and Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division 150 Israel Rd. SW Tumwater, WA 98501 (360) 902-8760	Director of Dept. of Financial Institutions Securities Division 150 Israel Rd. SW Tumwater, WA 98501
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Administrator, Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703

EXHIBIT 2
TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE ADDENDA TO THE
DISCLOSURE DOCUMENT

California- Addendum to the Disclosure Document and Franchise Agreement

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

The “Risk Factors” on the second page of the Disclosure Document are amended to also include the following:

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

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.)

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

Neither we nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

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

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

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

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

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our website is located at www.junkpunks.com.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE

CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

Exhibit 10 of the Disclosure Document is amended by the addition of the following:

Please note that for any franchisees being sold a franchise that is subject to compliance with the California Franchise Investment Law will not be required to execute this Exhibit 10.

Illinois – Addendum to the Disclosure Document

The following is added to Item 17:

- a. 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.
- b. The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois.
- c. The Illinois Franchise Disclosure Act requires that Illinois law apply to any claim arising under the Illinois Franchise Disclosure Act.
- d. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Maryland- Addendum to the Disclosure Document

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

1. Item 17.b. is modified to also provide, “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. Item 17.h. is modified to also provide, “The provision in the Franchise Agreement that provides that we may terminate the agreement upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).”
3. Item 17.u. is modified to also provide, “A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”
4. Item 17.v. is modified to also provide, “Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

Minnesota- Addendum to the Disclosure Document

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

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logos or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

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

New York- Addendum to the Disclosure Document

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

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT 1 OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NYS DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, N.Y. 10005.

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

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

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

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The Initial Franchise Fee constitutes part of our general operating funds and will be used as such in our discretion.

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

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

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

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

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

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

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

North Dakota Addendum to the Disclosure Document

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

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

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

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

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

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

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

Rhode Island Addendum to the Disclosure Document

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

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

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

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

Rhode Island law applies.

Virginia- Addendum to the Disclosure Document

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

Item 17: Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any rights given to him by any provision contained in the franchise.

These provisions supersede any conflicting provisions in the Disclosure Document.

Washington- Addendum to the Disclosure Document

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.

EXHIBIT 3
TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

between

Junk Punks Franchising Company LLC

and

Territory: _____

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SCHEDULE A – Franchisee-Specific Terms

SCHEDULE B – Guarantee

SCHEDULE C – Authorization Agreement for Prearranged Payments

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FRANCHISE AGREEMENT

This Franchise Agreement (the “**Agreement**”) is effective as of the date specified on Schedule A of this Agreement (the “**Effective Date**”) (Schedule A and all appendices and schedules attached to this Agreement are hereby incorporated by this reference) and is entered into between Junk Punks Franchising Company LLC, a Florida limited liability company with its principal place of business at 8800 49th Street N, Suite 203, Pinellas Park, FL 33782 (“**Franchisor**”, “**we**”, “**us**” or “**our**”) and the franchisee specified on Schedule A (“**Franchisee**” “**you**”, or “**your**”) with its principal place of business or residence as specified on Schedule A.

RECITALS

A. Franchisor has combined its own best practices into a comprehensive, turnkey program (the “**Program**”) for operating a franchised junk removal business (the “**Franchised Business**”) under the name “Junk Punks.”

B. The Program involves the use of confidential methods, operating procedures, business techniques, manuals, trademarks, and slogans designed to help enable franchisees to compete effectively in the junk removal business.

C. Franchisee wishes to establish and operate a Franchised Business using the Program in the Territory (as defined below), and to derive the benefits of the Program and Franchisor’s experience, name, reputation and guidance.

D. Franchisor wishes to grant Franchisee a right and license to operate a Franchised Business in the Territory on the terms and conditions stated here.

NOW, THEREFORE, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 **Defined Terms.** In this Agreement, the following terms have the meanings stated below:

(a) “**Affiliate**” of any person means another person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first entity.

(b) “**Applicable Laws**” means any applicable federal, state, and local statutes, rules, regulations, ordinances, and codes.

(c) “**Business Day**” means any day, other than a Saturday, Sunday, or a federal holiday in the United States.

(d) “**Franchised Location**” means the site in the Territory that is specified as the Franchised Location in **Schedule A** or, if it has not yet been determined as of the Effective Date, at a site to be mutually agreed upon subsequent to the execution of this Agreement.

(e) “**Gross Revenue**” means the aggregate sales price of all products and services sold by the Franchisee, in connection with or arising out of the operation of the Franchised Business, excluding (1) the amount of any good faith refund or credit given in respect of any services provided to a customer of the Franchised Business in the ordinary course of business, and (2) any amounts collected by Franchisee and paid out by Franchisee to a governmental authority on account of sales tax, or other taxes imposed upon

the sale of goods or services by Franchisee in respect of the Franchised Business and which Franchisee is not entitled to subsequently recover.

(f) “**Manual**” means the manual entitled “Junk Punks Operations Manual” and other Program versions, including hard copy and online materials, developed and owned by Franchisor, as revised by Franchisor from time to time.

(g) “**Marks**” means our registered, applied for, and common law trademarks and service marks, including without limitation the name “JUNK PUNKS” and all related trademarks, trade names, indicia or origin or similar marks.

(h) “**Territory**” means the geographical territory specified as the Territory in **Schedule A**.

2. GRANT OF LICENSE, TERRITORY AND TERM

2.1 ***Grant of License to Operate Franchised Business.*** Upon the terms and conditions stated here, Franchisor grants to Franchisee, and Franchisee accepts, the right and license, for the Term (as defined in Section 2.5 (Term)) and any Renewal Term (as defined in Section 21 (Renewal Term)):

(a) To establish and operate the Franchised Business in the Territory from the Franchised Location and to offer the products, services, and service enhancements that we have approved for offer and sale in the Program (the “**Services**”) in the Territory; and

(b) To use the Program, the Marks, the Manual and the Copyrighted Materials in connection with the operation of the Franchised Business in the Territory in accordance with this Agreement and the Manual.

Franchisee has no right to (i) sublicense the Marks or the Program to any other person or entity; (ii) use the Marks or the Program at any location outside of the Territory, unless Franchisor consents otherwise in writing; or (iii) sell or resell goods collected through the Franchised Business through any other method of distribution, including, without limitation, a separate store or online website. Franchisor reserves the right to require Franchisee’s participation in any centralized resale website.

2.2 *Territory.*

(a) **Designation.** Franchisor will designate in Schedule A the Territory in which to operate the Franchised Business. Franchisee is prohibited from soliciting or providing products or services to customers outside of its Territory, including solicitations to such customer through the Internet, telemarketing, or other direct marketing, unless Franchisor consents otherwise in writing. Franchisor will specify in Schedule A the number of persons in the Territory based on data from the U.S. Census Bureau or such other source as Franchisor feels is reliable.

(b) **Limited Protected Rights.** Franchisor and its Affiliates will not operate, or license a third party to operate, a Franchised Business within the Territory offering the same or similar Services under the Marks. Except for the foregoing sentence, Franchisor and its Affiliates have the right to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on Franchisee’s Franchised Business. For example, without limitation, Franchisor and its Affiliates have the right to:

(i) establish or license franchises and/or company-owned businesses offering similar or identical products and services and using the Program or elements of the Program, whether or not under the Marks, anywhere outside of the Territory;

(ii) sell or offer, or license others to sell or offer, any products or services using the Marks or other marks through alternative distribution channels, including, without limitation, through e-commerce or retail sales anywhere, including inside and outside of the Territory and require Franchisee's participation in any such resale websites;

(iii) advertise, or authorize others to advertise, using the Marks anywhere, including inside and outside of the Territory; and

(iv) acquire, be acquired by, or merge with other companies with existing junk removal businesses anywhere (including inside or outside of the Territory) and, even if such businesses are located in the Territory, (a) permit the other businesses to continue to operate under another name, and/or (b) permit the businesses to operate under another name and convert existing Franchised Businesses to such other name.

2.3 Opening Date and Commencement of Services. The parties intend that the Franchised Business will commence operation on the date specified in **Schedule A** (the "**Scheduled Opening Date**"), which shall be no later than six months from the date of this Agreement. Franchisee agrees that no later than the Scheduled Opening Date it will begin operating the Franchised Business at the Franchised Location. Franchisee may not begin operating the Franchised Business until the Franchised Location meets Franchisor's standards and is ready to open. Franchisee further confirms and agrees that it will obtain and maintain all licenses, permits and inspection approvals required by Applicable Laws, and take such other actions as may be necessary, to operate the Franchised Business. Franchisee may extend the Scheduled Opening Date by up to 60 days on written notice to Franchisor. Any extension or delay in the Scheduled Opening Date shall not extend the due date for any portion of the Initial Franchise Fee (as defined below).

2.4 Franchised Location. Franchisee, all employees, and other representatives of Franchisee shall operate the Franchised Business at and solely from the Franchised Location or such other location or locations as the Franchisor may agree to in advance in writing. The Franchised Location must (i) meet Franchisor's standards, specifications, and site selection criteria; (ii) be located in the Territory; and (iii) be approved by Franchisor. If the Franchised Location has been identified as of the Effective Date, it shall be specified in **Schedule A**. If the Franchised Location is identified after the Effective Date (or if Franchisee desires to relocate the previously-approved Franchised Location), prior to entering into a lease or purchase agreement for the proposed site, Franchisee must seek and obtain Franchisor's written approval for the proposed site to be Franchised Location and must provide Franchisor with any information that it reasonably requests for Franchisor to make such determination. Once the Franchised Location is identified, Franchisor shall insert the site into a revised copy of **Schedule A**. Franchisor does not currently, but may in the future, designate the site for the Franchised Businesses. Franchisor does not currently, but may in the future, own the site for the Franchised Business and lease it to Franchisee.

2.5 Term. The term of this Agreement shall commence on the Scheduled Opening Date (whether or not the Franchised Location is open for business on that date) and, unless earlier terminated, shall end on the 3rd anniversary of the Scheduled Opening Date (the "**Term**"), subject to renewal under Section 19 (Renewal).

2.6 Owners and Guarantee. The grant of license in Section 2.1 (Grant of License to Operate Franchised Business) is made by Franchisor based on and in reliance on the personal attributes and abilities of Franchisee or, if Franchisee is an entity, its owners. If Franchisee is an entity, Franchisee represents that

Schedule A contains a complete and accurate list of all of the owners of a legal and/or beneficial interest in the Franchisee entity, which list shall be updated after any transfer of any such ownership interests. Such owners will each sign Franchisor's current form of guarantee (the "**Guarantee**") guaranteeing the full and complete performance of this Agreement by Franchisee, a copy of which is attached as **Schedule B**.

2.7 **Operating Principal.** If you are an entity, you must appoint an individual owner to serve as your "**Operating Principal**." Your Operating Principal must have authority over all business decisions related to your business and to have the power to bind you in all dealings with us. Your Operating Principal must have at least a 20% ownership interest in your entity. Your Operating Principal shall be listed on Schedule A. You may not change your Operating Principal without our prior written approval.

3. INITIAL FRANCHISE FEES

Franchisee will pay to Franchisor the initial franchise fee shown in **Schedule A** (the "**Initial Franchise Fee**") on or before the due dates stated in **Schedule A**. The Initial Franchise Fee is non-refundable. You must also purchase the initial equipment and supply package from us or our affiliate, and pay us or our affiliate our then-current fee.

4. ROYALTY, TECHNOLOGY FEES, AND CERTAIN SYSTEM FEES

4.1 **Amount of Royalty.** Franchisee shall pay to Franchisor: (a) a continuing royalty equal to 6% of Franchisee's Gross Revenue (the "**Royalty**").

4.2 **Calculation and Payment.**

(a) **Payment and Due Dates.** The Royalty, the Advertising Fund Fee, Customer Call Center Fee, Bookkeeping Fee, Fleet Management Software Fee, Email and Productivity Platform Fee, and Proprietary Junk Punks Software Systems fee, and all other fees due Franchisor under this Agreement, shall be paid monthly by way of electronic transfer (automatic debit) to Franchisor through the Automated Clearing House ("**ACH**") electronic network. Franchisee will execute and deliver to Franchisor the Authorization Agreement for Prearranged Payments attached hereto as **Schedule C**, and such other forms, documents and agreements as may be required by Franchisor or any bank or financial institution, or otherwise necessary or convenient, to effect the automatic payments contemplated by this Section 4.2(a). ACH rules and regulations shall apply. Payment will be automatically debited from Franchisee's account on the applicable Payment Date. If payment is not received by the Payment Date (or if an electronic payment is declined for any reason), then 10% interest (based on estimated or actual amounts) will begin to accrue and an administrative fee of \$150 will be added to the ACH amount. Franchisee shall execute all banking forms and documents and do all other things necessary to facilitate such payments by way of electronic transfer (automatic debit).

(b) **Payment Date.** "**Payment Date**" means, for weekly payments, the day of the week that we designate as the Payment Date, currently Friday, and, for monthly payments, the 5th day of each month. In either case, if the Payment Date is not a business day, the Payment Date will be deemed to be the immediately following business day. We may change the Payment Date at any time.

(c) **Calculation of Automatic Debit.** The automatic debit amount for each week or month, as applicable, shall be calculated by the Franchisor based upon reconciling the invoices with the reports submitted by Franchisee. Should Franchisee fail to provide required reports in a timely manner, Franchisor shall calculate the automatic debit amount based upon the most recent report. Any necessary reconciliation will be made during the period following receipt of the report that was not timely submitted.

4.3 ***Bookkeeping Fee.*** Franchisor will provide bookkeeping services to Franchisee. Franchisee must pay a bookkeeping fee to Franchisor in the amount of 2% of Franchisee's Gross Revenue. If additional bookkeeping work is required due to Franchisee error, failure to provide accurate information, or lack of timely responsiveness, Franchisor may charge \$50 per hour for such additional services.

4.4 ***Fleet Management Software Fee.*** Franchisee must pay to Franchisor its then-current Fleet Management Software Fee. Franchisor maintains a master subscription for fleet management software, which may include GPS tracking, dash cameras, and asset tracking. Franchisees are required to participate in this program. This fee is subject to increase as Franchisor's direct costs from the vendor increase.

4.5 ***Email and Productivity Platform Fee.*** Franchisee must pay to Franchisor its then-current Email and Productivity Platform Fee. Franchisor provides and manages company-wide email and productivity accounts using Franchisor-approved domains. This fee is subject to increase as Franchisor's direct costs from the vendor increase.

4.6 ***Proprietary Junk Punks Software Systems (Operations, Calls, and Scenarios by Junk Punks).*** Franchisee must pay to Franchisor its then-current fee for Proprietary Junk Punks Software Systems. Franchisee must use Franchisor's proprietary software platform for operational, reporting, and internal system purposes.

5. CUSTOMER CALL CENTER

5.1 ***Customer Call Center.*** Franchisor shall maintain a customer call center (the "**Customer Call Center**") to process all orders for Services and to handle customer inquiries on a system-wide basis. The Customer Call Center is intended to provide an efficient and uniform system for placement and retrieval of orders for Services and handling customers inquiries and complaints, and to provide a mechanism for establishing a client database and providing management reports to Junk Punks® franchisees. The Customer Call Center is for the benefit of all franchisees and providers of Services. Franchisor undertakes no obligation to ensure that any particular franchisee benefits on a pro-rata basis from the Customer Call Center.

5.2 ***Receipt and Processing of Orders.*** Promptly upon receipt of an order for Services within the Territory, Franchisor shall post such order on the Franchisor's system-wide intranet system ("**Intranet**"). Franchisee shall promptly retrieve all orders for the Services in the Territory from the Intranet.

5.3 ***Franchisee Access to the Intranet.*** Franchisor will provide Franchisee with access to the Intranet and a confidential password (the "**Password**") for the Intranet. Franchisee will be responsible for obtaining, and paying a fee associated with, any email accounts Franchisee needs for the Franchised Business. Franchisee will keep the Password confidential at all times, including both during and after the Term. Franchisee will not release the Password to any person, including any employee of the Franchised Business, without the previous written consent of Franchisor.

5.4 ***No Other Sales.*** Franchisee acknowledges and agrees that except as explicitly provided for in this Agreement, Franchisee is not permitted to receive or fill any order for the Services within the Territory other than those orders that are placed or processed through the Customer Call Center and posted on the Intranet. Should Franchisee receive orders with Franchisee's local telephone number or any other method, Franchisee must process these orders through the Customer Call Center and the Intranet.

5.5 ***Unsolicited Orders.*** Notwithstanding the provisions of Section 5.4 (No Other Sales), if Franchisee receives a request to provide the Services to a new customer (the "**Unsolicited Order**") while

providing Services to another customer, and Franchisee's employees do not have the opportunity to first process the Unsolicited Order through the Intranet before rendering the Services to such new Customer, Franchisee may service such Unsolicited Order provided that immediately after completion of the Unsolicited Order, Franchisee shall process the Unsolicited Order through the Intranet providing all the particulars of the Unsolicited Order including the name and address of the customer, the amount charged for the Services and the date on which the Unsolicited Order was made and completed.

5.6 ***Customer Call Center Fund.*** Franchisee agrees that:

(a) Franchisor or its Affiliates shall maintain a fund to finance the operation of the Customer Call Center (the "**Customer Call Center Fund**");

(b) Franchisee shall contribute to the Customer Call Center Fund a monthly amount equal to 6% of its Gross Revenue (the "**Customer Call Center Fee**"). The Customer Call Center Fee shall be paid to Franchisor on the weekly Payment Date in accordance with Section 4.2 (Calculation and Payment);

(c) The Customer Call Center Fund shall be used to cover the operating expenses of the Customer Call Center and shall be accounted for separately from other funds of Franchisor and shall not be used to pay any of Franchisor's general operating expenses, except for salaries, administrative costs and overhead (calculated on a fully allocated basis), if any, as Franchisor may incur in activities reasonably related to the administration, direction, and operation of the Customer Call Center and the Customer Call Center Fund. A statement of operation of the Customer Call Center Fund shall be prepared annually, at the expense of the Care Center Fund, and shall be made available to Franchisee upon request;

(d) Except as expressly provided for in this Section 5, Franchisor assumes no obligation or liability to Franchisee with respect to the maintenance, direction, or administration of the Customer Call Center or Customer Call Center Fund. Franchisor shall have the sole right and responsibility to control and direct the policies, direction, administration, and operation of the Customer Call Center. Franchisee is not a third party beneficiary and shall have no right to enforce any contributions from other franchisees or the administration of the Customer Call Center Fund. Any obligation of Franchisor with respect to the Customer Call Center Fund shall be contractual in nature and it shall not constitute a trust fund;

(e) Franchisee shall fully participate in all programs established by Franchisor involving the Customer Call Center; and

(f) In the event of surplus funds at the end of any year, such funds will be applied to one or more of the following, in any combination as may be determined in Franchisor's absolute discretion: (i) carried forward and applied to the next year's operating costs or (ii) used for general advertising. In the event of a shortage of funds in the Customer Call Center Fund at the end of any year, the Franchisor shall have the right to contribute the shortage to the Customer Call Center Fund and deem such contribution an account receivable from the Customer Call Center Fund, to be paid back in the next year, without interest.

6. **ADVERTISING**

6.1 ***Particulars of Local Advertising.*** Franchisee shall have the right to conduct local advertising and promotions provided that:

(a) Franchisee shall advertise and promote only in a manner that will reflect favorably on Franchisor, Franchisee, the Services, and goodwill of the Program;

(b) Franchisee shall submit to Franchisor for written approval, all local advertising, and promotions material to be utilized by Franchisee prior to its use. Franchisor will endeavor to approve all proposed advertising materials within 30 days that Franchisee submits them to Franchisor. In the event Franchisor does not approve the materials within that time period, the materials will be deemed disapproved.

(c) Franchisee agrees that each submission of advertising and promotional material shall constitute an irrevocable and perpetual assignment to Franchisor of the copyright with respect to such submission, and upon each such submission the contents shall be deemed to be part of the Know- How; and

(d) Franchisee agrees to advertise, at Franchisee's expense, in such online directories or listings as specified by Franchisor from time to time. If other franchises are served by the same directories or listing, Franchisor shall have the right to require group listings, make direct arrangements, and to allocate an equitable part of the cost to each Franchisee.

6.2 *Advertising Fund.*

(a) Establishment of Advertising Fund. Upon the opening of the Franchised Business, Franchisee must participate in a Junk Punks® advertising fund that Franchisor designates (the “**Advertising Fund**”) for such advertising, marketing and public relations programs and materials on a system-wide basis that Franchisor or its Affiliates deem necessary or appropriate, in its or their sole discretion. Franchisor will contribute any Advertising Fund Fees that it collects from Franchisee to the Advertising Fund. Franchisor reserves the right to defer or reduce contributions of any or all Franchised Businesses and, upon 30 days' prior written notice to Franchisee, to reduce or suspend contributions to and operations of the Advertising Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Advertising Fund. If the Advertising Fund is terminated, all unspent monies on the date of termination will be distributed to franchisees in proportion to their respective contributions to the Advertising Fund during the preceding 12 calendar months. Franchisor and its Affiliates will not be obligated to contribute to the Advertising Fund on the same basis as franchisees for any Franchised Businesses that they own and operate.

(b) Advertising Fund Fee. Beginning on the Effective Date, Franchisee shall pay to Franchisor a weekly contribution to the Advertising Fund in an amount equal to 2% of Gross Revenue (the “**Advertising Fund Fee**”). The Advertising Fund Fee shall be paid to Franchisor on the weekly Payment Date in accordance with Section 4.2 (Calculation and Payment).

(c) Use of the Advertising Fund. Franchisor or its Affiliates direct all programs financed by the Advertising Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. Franchisee agrees that the Advertising Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering national, regional, and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion, and marketing agencies; developing marketing and advertising training programs and materials; conducting market research and secret shopper programs; creating, maintaining, and optimizing the system website, other websites, and applications; implementing keyword or adword purchasing programs; conducting and managing social media activities; and supporting public relations and other advertising, promotion, and marketing activities.

(d) Accounting for the Fund. The Advertising Fund will be accounted for separately from Franchisor's or its Affiliates' other funds and will not be used to defray any of its or its Affiliates' general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and

overhead, including rent and utilities, as it or they may incur in activities related to the administration of the Advertising Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Advertising Fund. Franchisor or its Affiliates may spend, on behalf of the Advertising Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Franchised Businesses to the Advertising Fund in that year. The Advertising Fund may borrow from Franchisor or others to cover deficits or invest any surplus for future use. If Franchisor or its Affiliates lend money to the Advertising Fund, it or they may charge interest at an annual rate 1% greater than the rates it or they pay its or their lenders. Franchisor will prepare an annual statement of monies collected and costs incurred by the Advertising Fund and furnish the statement to Franchisee upon written request. Franchisor has the right to cause the Advertising Fund to be incorporated or operated through a separate entity at such time as it deems appropriate, and such successor entity will have all of the rights and duties specified in this Agreement.

(c) Advertising Fund Limitations. Franchisee acknowledges that the Advertising Fund is intended to maximize recognition of the Marks and usage of the Franchised Businesses. Although Franchisor or its Affiliates will endeavor to utilize the Advertising Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Franchised Businesses, Franchisor and its Affiliates undertake no obligation to ensure that expenditures by the Advertising Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Advertising Fund by Franchised Businesses operating in that geographic area or that any Franchised Business will benefit directly or in proportion to its contribution to the Advertising Fund from the development of advertising and marketing materials or the placement of advertising. Franchisor and its Affiliates assume no direct or indirect liability or obligation to Franchisee with respect to collecting amounts due to, or maintaining, directing or administering, the Advertising Fund in accordance with this Agreement.

6.3 **Signage.** Franchisee shall display, at its expense, in connection with the Franchised Business, signs of such nature as specified in the Manual. When signage is procured under a lease, the lease must be assignable to Franchisor and Franchisee will submit such lease to Franchisor for its written approval prior to executing it.

6.4 **Use of Media.** Franchisee agrees that for purposes of advertising and public relations related to the Program, Franchisor may make, reproduce, and publish in good taste photographs, videos and other media utilizing the Franchised Location and the employees and customers of Franchisee on an individual or collective basis. Franchisee will cooperate with Franchisor in this regard.

6.5 **Advertising Cooperatives.** Franchisee agrees to join and actively participate in any organizations or associations of franchisees or advertising cooperatives that Franchisor establishes or approves for the purpose of promoting, coordinating, and purchasing advertising in local, regional, or national areas where there are multiple Franchised Businesses (“**Advertising Cooperatives**”) and to abide by the bylaws, rules, and regulations duly required by the Advertising Cooperative, which Franchisor has the right to mandate or approve. If Franchisee joins an Advertising Cooperative, the Advertising Cooperative may require Franchisee to spend additional funds on marketing programs conducted by the Advertising Cooperative, which may be in addition to the Advertising Fund Fee and Minimum Local Advertising Expenditure. Franchisor shall have the right to approve any marketing materials or marketing programs developed by any Advertising Cooperative in the same manner as specified in Section 6.1 (Particulars of Local Advertising).

6.6 **Websites and Social Media.** Franchisor alone may establish, maintain, modify or discontinue all Internet, World Wide Web and electronic commerce activities pertaining to the Junk Punks® system. Franchisor has established one or more Websites, and Franchisor may design and provide for the benefit of the Franchised Business a “click through” subpage at Franchisor’s Website. The term “**Website**”

includes, without limitation, pages or other communications that can be accessed through the Internet, World Wide Web, landing pages, social media and networking sites (such as Facebook, X, LinkedIn, YouTube, Instagram, Yelp, Google Business, virtual worlds, file, audio and video-sharing sites, or any other social media and/or networking site Franchisor designates), blogs, vlogs, and other applications. If Franchisor establishes one or more Websites or other modes of electronic commerce and if Franchisor provides a “click through” subpage at the website(s) for the promotion of the Franchised Business, Franchisor may require Franchisee to provide Franchisor or its designated vendor with updated copies, photographs and news stories about the Franchised Business in accordance with Franchisor’s standards and specifications as set forth in the Manual or otherwise. Franchisor reserves the right to specify the content, frequency and procedure Franchisee must follow for updating its “click through” subpage, and to require Franchisee to use designated or approved suppliers for the establishment, use, maintenance, and/or updating such “click through” subpage. Franchisee is not permitted to promote the Franchised Business in any manner on any Websites without Franchisor’s prior written consent, as that promotion is advertising and trademark use that is subject to Franchisor’s review and approval. However, Franchisor may require Franchisee to establish and maintain social media pages or profiles, which may include, without limitation, Facebook, X, LinkedIn, YouTube, Pinterest, Instagram, Yelp, Google Business, or any other social media and/or networking site Franchisor designates. Franchisee must comply with the Program and any standards set forth in the Manual regarding the establishment, use, appearance, maintenance, and updating of social media pages and profiles. Franchisor reserves the right to conduct collective/national campaigns via local social media on Franchisee’s behalf. Franchisor alone will be, and at all times will remain, the sole owner of the copyrights to all material, which appears on any Website Franchisor or Franchisee establishes and maintains related to the Franchised Business, including any and all material Franchisee may furnish to Franchisor for Franchisee’s “click through” subpage, and including all social media and networking accounts, postings and related materials.

7. VEHICLES

7.1 ***Purchase of Vehicles by Franchisee.*** Franchisee shall purchase or lease the following vehicles (each a “**Vehicle**”), either: (a) one professional van; (b) one box truck; or (c) one dump truck; and in all cases, the Vehicle must be purchased or leased upon startup. Franchisee may purchase or lease additional Vehicles as approved by Franchisor. Vehicles shall meet Franchisor’s specifications as stated in the Manual. Franchisee may not use any vans, trucks, trailers or vehicles that are not approved by Franchisor or that do not meet Franchisor’s specifications. Franchisor may require that all Vehicles be purchased or leased from Franchisor, its Affiliates or a supplier designated by Franchisor.

7.2 ***Maintenance and Upgrading of Vehicle.*** Franchisee shall at all times maintain the Vehicles, including all accessories and equipment, so as to comply with the Manual or by written request from Franchisor, and to preserve, maintain and enhance the reputation and goodwill of the Franchisor and its franchisees and the value of the Marks. Franchisee shall replace the Vehicles in accordance with any standards set forth in the Manuals.

7.3 ***Vehicle Use.*** Franchisee shall use the Vehicle solely for the Franchised Business.

8. OPERATION OF FRANCHISED BUSINESS

8.1 ***Compliance with Manual.*** Franchisor shall loan Franchisee one Manual. Franchisee agrees to promptly adopt and use exclusively the specifications, standards, methods, and policies of the Program, in its entirety as outlined in the Manual. Franchisee shall conduct the Franchised Business in accordance with the provisions in the Manual as amended from time to time. If Franchisee fails to comply with any of the specifications, standards, methods, and policies of the Program as outlined in the Manual or otherwise, and fails to remedy said non-compliance within the cure period provided by Franchisor in the

operational non-compliance notice, Franchisor may charge Franchisee a penalty fee equal to twenty and no/100 dollars for each day that said operational non-compliance remains uncured. For example, Franchisee will:

(a) faithfully observe and perform in a timely fashion all covenants to be observed and performed by Franchisee under any lease for the Location;

(b) attend all franchise conferences and meetings as required by Franchisor from time to time;

(c) participate in such programs as Franchisor may require from time to time, including the servicing of national, system-wide or other special accounts as may be designated in the Manual, or in such manner as may be approved in advance in writing by Franchisor, including provision of service-levels as may be required for specified accounts and the use and honoring of gift certificates and coupons;

(d) maintain such hours of operation as specified in the Manual;

(e) maintain the Franchised Location in a clean and attractive condition as required by the Manual;

(f) maintain office equipment as specified in the Manual and replace such items of equipment which have become obsolete or otherwise mechanically impaired or as required by Franchisor from time to time;

(g) maintain an inventory of goods and supplies sufficient to satisfy customer demand;

(h) maintain the hardware and software requirements as specified in the Manual;

(i) maintain credit card processing services from Franchisor's designated suppliers and pursuant to its specifications in the Manual; and

(j) use invoicing, accounting, and payroll systems and/or services approved by Franchisor.

8.2 *Product and Service Purchases or Leases.*

(a) Purchases. Franchisor has the right to require that products, supplies, fixtures, furnishings, signs, equipment, Vehicles, and services that Franchisee purchases for resale or purchases or leases for use in its Franchised Business: (i) meet specifications that Franchisor establishes from time to time; (ii) be a specific brand, kind, or model; (iii) be purchased or leased only from suppliers or service providers that Franchisor has expressly approved; and/or (iv) be purchased or leased only from a single source that Franchisor designates (which may include Franchisor or its Affiliates or a buying cooperative organized by Franchisor or its Affiliates). To the extent that Franchisor establishes specifications, requires approval of suppliers or service providers, or designates specific suppliers or service providers for particular items or services, Franchisor will publish its requirements in the Manual.

(b) Revenue from Purchases. Franchisee acknowledges and agrees that Franchisor and/or its Affiliates may derive revenue based on Franchisee's purchases and leases, including from charging Franchisee for products and services Franchisor or its Affiliates provide to Franchisee and from promotional allowances, volume discounts, and other payments made to Franchisor or its Affiliates by

suppliers and/or distributors that Franchisor designates or approves for some or all of its franchisees. Franchisor and its Affiliates may use all amounts received from suppliers and/or distributors, whether or not based on Franchisee's or other franchisees' actual or prospective dealings with them, without restriction for any purposes Franchisor or its Affiliates deem appropriate. If Franchisee derives any revenue based on payments or promotional allowances received from suppliers and/or distributors, Franchisee must report to Franchisor the details of the arrangement and such revenue shall be included as part of Franchisee's Gross Revenue.

(c) Initial Equipment and Supplies. Franchisee must purchase its initial supply of business cards, uniforms, other branded materials and supplies, as specified in the Manual, from Franchisor or its Affiliates.

8.3 ***Products and Services Franchisee May Offer.*** Franchisee may offer through the Franchised Business to customers only the Services that Franchisor has approved in writing. In addition, Franchisee must offer the specific Services that Franchisee requires in the Manual or otherwise in writing. Franchisor may change these specifications periodically, and Franchisor may designate specific Services as optional or mandatory. Franchisee must offer all Services that Franchisor designates as mandatory. Franchisee must maintain a sufficient supply of required products to meet the inventory standards Franchisor prescribes in the Manual (or to meet reasonably anticipated customer demand, if Franchisor has not prescribed specific standards).

8.4 ***Standards of Service.*** Franchisee and employees of the Franchised Business will at all times give prompt, courteous and efficient service to customers, and will, in all dealings with customers, suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee will respond to customer, supplier, and public complaints in a prompt, courteous, and efficient manner.

8.5 ***Taxes and Rents.*** Franchisee will pay in a timely manner all local, state, and federal taxes and fees assessed by any governmental authority directly or indirectly in connection with the Franchised Business.

8.6 ***Compliance with Laws.*** Franchisee will operate the Franchised Business in strict compliance with all Applicable Laws. Franchisee acknowledges that it is solely responsible for investigation of all Applicable Laws that apply to the Franchised Business and for obtaining all necessary permits to operate the Franchised Business. You also shall comply with all Applicable Laws, standards, or any equivalent thereof relating to personal information, data privacy, and data protection, and comply with any privacy policies or data protection and breach response policies we periodically may establish, including those set forth in Section 9.2 (Compliance with Data Security Standards).

8.7 ***Hazardous Materials.*** Franchisee will not deal in any way with any hazardous materials, including, but not limited to:

- (a) oil or gasoline, except in connection with the operation of the Vehicles;
- (b) asbestos;
- (c) any material containing or contaminated with PCBs;
- (d) liquid waste of any sort;
- (e) sludge of any sort;

- (f) septic tank sludge or waste; and
- (g) solvents, liquid paints, or chemicals.

8.8 **Pricing.** Franchisor will deliver to Franchisee, prior to the Scheduled Opening Date, Franchisor's current list of suggested prices for the Services, which may vary among various franchises. Franchisor will give Franchisee written notice of all changes to suggested prices (including any temporary promotional changes). Franchisee is under no obligation to adhere to the suggested prices, but should be aware that promotional and marketing materials and campaigns prepared and provided by the Franchisor may include such prices.

8.9 **Program Changes.** Franchisor may from time to time, by written notice to Franchisee, modify the Program, including, without limitation, ceasing to use Marks and copyrighted Materials, adopting new or modified Marks or copyrighted materials, ceasing to offer Services, adopting new or enhanced Services, and modifying or adopting new techniques in connection therewith. Franchisee will, at its own cost, within a reasonable amount of time following receipt of such notice, accept, implement, use, and display all such changes. Franchisee may not alter, modify or otherwise change, add to or delete from any portion of the Program, Marks, Copyrighted Materials, or Services as licensed.

8.10 **Approval and Revocation of Products, Services, and Vendors.**

(a) **Approval Process.** If Franchisee would like to offer products or services, or use any supplies, equipment, fixtures, signs, furniture, Vehicles, or services that Franchisor has not approved or to purchase or lease from a supplier or service provider that Franchisor has not approved, Franchisee must submit a written request for approval and provide Franchisor with any information that Franchisor requests. Franchisor has the right to inspect the proposed supplier's facilities and test samples of the proposed items and to evaluate the proposed service provider and the proposed service offerings. Franchisor may require the proposed supplier or service provider to visit its headquarters to evaluate the proposed supplier or service provider in person. Franchisee agrees to pay Franchisor a charge not to exceed the reasonable cost of the inspection and Franchisor's actual cost of testing the proposed item or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. Franchisor has the right to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on its judgment. Franchisor will notify Franchisee in writing of its decision as soon as practicable following Franchisor's evaluation. If Franchisee does not receive Franchisor's approval within 30 days after submitting all of the information that it requests, Franchisor's failure to respond will be deemed a disapproval of the request. Franchisee acknowledges that the products and services that Franchisor approves for Franchisee to offer in its Franchised Business may differ from those that Franchisor permits or requires to be offered in other Franchised Businesses.

(b) **Revocation of Approval.** Franchisor reserves the right to reinspect the facilities and products of any approved supplier and to reevaluate the services provided by any service provider and to revoke approval of the item, service, supplier, or service provider if any fail to meet any of Franchisor's then-current criteria. If Franchisee receives a notice of revocation of approval, Franchisee agrees to cease purchasing or leasing the formerly approved item or service or any items or services from the formerly approved supplier or service provider and Franchisee must dispose of its remaining inventory of the formerly-approved items and services as Franchisor directs. If Franchisor revokes approval of a previously approved product that Franchisee has been selling to customers or service that Franchisee has been offering to customers, Franchisee must immediately discontinue offering the service and may continue to sell the product only from its existing inventory for up to 30 days following Franchisor's disapproval. Franchisor has the right to shorten this period if, in its opinion, the continued sale of the product would

prove detrimental to Franchisor's reputation. After the 30-day period, or such shorter period that Franchisor may designate, Franchisee must dispose of its remaining formerly approved inventory as Franchisor directs.

9. CUSTOMER METHODS OF PAYMENTS; PAYMENTS TO SUPPLIERS AND THIRD PARTIES

9.1 ***Credit Cards and Other Methods of Payment.*** Franchisee will maintain arrangements with Visa, MasterCard, American Express and additional or replacement credit card and debit card issuers or sponsors nominated by Franchisor from time to time, checks and other methods of payment. Whenever Franchisor designates a new payment system or financial institution for the Program, Franchisee agrees to adopt the designate promptly.

9.2 ***Compliance with Data Security Standards.*** You must abide by: (a) the Payment Card Industry Data Security Standards ("PCI-DSS") enacted by the applicable Card Associations (as they may be modified from time to time or as successor standards are adopted); (b) the Fair and Accurate Credit Transactions Act ("FACTA"); and (c) all other standards, laws, rules, regulations or any equivalent thereof applicable to electronic payments that may be published from time to time by payment card companies and applicable to electronic payments ("**Electronic Payment Requirements**"). We may require that you (i) use vendors (and may require you to use one or more approved suppliers that we designate) to provide security services that are consistent with PCI-DSS, FACTA, and applicable Electronic Payment Requirements; (ii) maintain specific security measures; (iii) submit annually proof of your PCI-DSS compliance status; (iv) provide evidence of compliance with FACTA or applicable Electronic Payment Requirements upon our request; or (v) use vendors or Approved Suppliers to conduct periodic security audits to ensure that personal data is adequately protected and provide us copies of any audits, scanning results, or related documentation relating to such compliance or audits.

9.3 ***Data Breach Notification.*** If you suspect or know of a security breach, you must immediately notify us of the facts that are known about the incident (a "**Data Breach**"). You are responsible for complying with all data breach notification laws, regulations, rules, standards or any equivalent thereof applicable to your organization. You must remediate the source of any compromise or security breach at your expense, and you are responsible for any costs or financial losses you incur or remedial actions that you must take as a result of an actual or suspected Data Breach. You must coordinate with us regarding such incidents where notification to individuals is required before individuals are notified so that we can be aware of and be prepared to address issues that may affect the System. In the event of an actual or suspected Data Breach, you grant us and our designees and agents the right, exercisable in our sole and absolute discretion, to conduct an investigation of the incident and to install, run, and maintain any hardware, software, or code on your computer system or in your computer network necessary or advisable to facilitate the investigation and to contain and remediate the incident, and you agree to cooperate with us and to provide us with any access and information we may reasonably request for those purposes. Nothing in the preceding sentence shall relieve you of your obligation to comply with Applicable Laws, standards or any equivalent thereof concerning an actual or suspected Data Breach.

9.4 ***Payments to Suppliers.*** Franchisee will make all payments to suppliers and vendors when due and will provide proof of payment to Franchisor upon request. Franchisee acknowledges that failure of Franchisee to pay suppliers and vendors in a timely manner could harm the reputation of the Program and the relationship of Franchisor and its other franchisees with such supplier. If Franchisee fails to pay any Supplier vendor in full when due, then Franchisor shall have the right, but not the obligation, to pay all or any portion of the sum due, together with accrued interest and penalties.

10. RECORDS AND REPORTING

10.1 ***Sales Records.*** Franchisee shall keep true and accurate records and books of account in relation to the Franchised Business, including daily records of services to individual customers and of Gross Revenue, in such form and detail as Franchisor requires from time to time.

10.2 ***Preservation of Records.*** Franchisee shall keep and preserve all books and records (including point of sale records, computer generated records and evidence of all sources and amounts of individual sales and Gross Revenue for 36 months after the end of each fiscal year.

10.3 ***Monthly and Annual Reporting.*** Franchisee shall report to Franchisor as follows:

(a) within four days following the end of each Month, Franchisee shall update all records and data on the Intranet in order that Franchisor can produce a report in electronic form from the Intranet ("**Monthly Report**") containing:

(i) a correct and complete statement of all sales and Gross Revenue for month; and

(ii) such other financial information as Franchisor may require from time to time.

(iii) The Monthly Report shall contain all information noted there and shall be certified as correct by Franchisee. Upon request by Franchisor, Franchisee will supply copies of some or all of the sales records (in all relevant media) related to the period being reported on. With each Monthly Report, Franchisee shall pay to Franchisor the Royalty payable for such period in compliance with Section 4.2 (Calculation and Payment);

(b) within 90 days after the end of each fiscal year of Franchisee, Franchisee shall submit to Franchisor (in electronic form whenever possible) the following information certified as correct by Franchisee:

(i) a statement of Gross Revenue adjusted and reconciled after the close and review of Franchisee's books and records for the year. If such statement discloses any underpayment of Royalties, then Franchisee shall pay to Franchisor, at the time of submitting such statement, the amount of such underpayment. Any overpayment disclosed by such statement shall be credited to Franchisee's Royalty account by Franchisor;

(ii) complete financial statements, including balance sheet, income statement and statement of changes in financial position, all prepared in accordance with generally accepted accounting principles applied on a basis which is consistent with prior fiscal years of Franchisee; and

(iii) such other reports and financial information (including up-to-date personal financial information concerning guarantors of Franchisee, if applicable) as Franchisor may reasonably require from time to time.

10.4 ***Inspection and Audit Rights.*** Franchisor shall be entitled, during the regular business hours of the Franchised Business, to enter the premises of the Franchised Business to inspect and take copies of all paper and electronic records of Franchisee relating in any way to the Franchised Business, whether or not of a financial nature, all without prior notice to Franchisee. Franchisor may cause its auditor to conduct an audit of the Franchised Business for any fiscal year of Franchisee or any calendar year or

time period. Franchisee consents to the Franchisor directly contacting and obtaining information from any creditors or suppliers of the Franchisee.

Upon request by Franchisor, Franchisee will forward to Franchisor by reputable overnight courier, all business and financial records of the Franchised Business, including financial statements, accounting records, and federal and state tax returns at any time and the opportunity to take copies thereof at Franchisor's expense. If any such audit reveals an under-reporting of Gross Revenue by 2% or more for the time period in question, or other material deficiency, then the Franchisee shall reimburse the Franchisor for the reasonable costs of the audit and any related enforcement.

10.5 Other Inspection Rights. Franchisee authorizes Franchisor and its representatives to examine and inspect all aspects of the operation of the Franchised Business to determine compliance with this Agreement (including the Manual), including to (i) enter the Franchised Location to inspect it, the Vehicle, inventory, fixtures, furnishings, and equipment and (ii) confer with or otherwise contact Franchisee's employees. Franchisee must grant Franchisor full administrative access to software systems, including the ability to view all operational and performance data, and including edit permissions. Franchisor will have independent access to the information that will be generated or stored in the computer systems, and there are no contractual limitations to Franchisor's right to access this information.

10.6 Notice to Meet Standards. Should any inspection or audit reveal any non-compliance with the Program or failure to meet the standards of operation, then Franchisee shall immediately upon receipt of notice from Franchisor specifying the particulars of the non-compliance or failure by Franchisee, do all things necessary to correct the non-compliance or failure, in addition to co-operating with the representatives of Franchisor in respect of any training or retraining determined necessary by Franchisor.

10.7 Corporate Records. If Franchisee is an entity, Franchisee will complete and remit Franchisor's company information form, and provide such other information and certificates regarding the company structure of Franchisee as required by Franchisor, and Franchisee agrees to update such information from time to time.

11. MANAGEMENT AND EMPLOYEES

11.1 Managers. The Franchised Business must at all times be under the direct supervision of (i) you, (ii) a general manager (the "**Manager**"), or (iii) your Operating Principal. All Managers must successfully complete training, meet Franchisor's brand standards, must work full-time (at least 35 hours per week) for the Franchised Business, and must not be actively participating in any other businesses during the required hours of operation of the Franchised Business. The Manager is not required to own an equity interest in Franchisee or the Franchised Business. The initial Manager shall be identified on **Schedule A**. Franchisee shall provide Franchisor with written notice of all additional or subsequent Managers. Franchisee must employ one Manager for each 1.5 million persons (or fraction thereof) in the Territory.

11.2 Employees. Franchisee is solely responsible for all labor and employment-related matters and decisions related to its Franchised Business, including hiring, firing, promoting, demoting, and compensating (including through wages, bonuses, or benefits) its employees. Franchisee must ensure that its employees are qualified and properly trained to perform their duties in accordance with Franchisor's brand and customer service standards, have the legal right to work in the United States, and successfully pass a background check. Franchisor does not require Franchisee to implement any employment-related policies or procedures or security-related policies or procedures that Franchisor (at its option) may make available to Franchisee in the Manual or otherwise for its optional use. Franchisee shall determine to what extent, if any, these policies and procedures may be applicable to the operation of its Franchised Business.

11.3 **Sufficient Staff.** Franchisee will at all times employ a sufficient number of properly trained, competent, sober, and courteous employees (including Managers) to operate the Franchised Business in accordance with the Franchisor's brand and customer service standards during normal business hours.

12. LICENSE, USE OF MARKS AND COPYRIGHTED MATERIALS, CONFIDENTIAL INFORMATION AND KNOW-HOW

12.1 **Nature of License.** The license granted by this Agreement is a license to use the Program and Marks only in connection with operation of the Franchised Business in the Territory during the Term. Nothing in this Agreement shall give Franchisee any other right, title, or interest in or to any part of the Marks or the Program. Franchisee acknowledges that Franchisee's use of the Program and Marks and any goodwill established by such use inures to the exclusive benefit of Franchisor.

12.2 **Use of Name and Marks.** Franchisee shall operate the Franchised Business under the name "Junk Punks" and the Marks, or such alternative names or Marks, as designated by Franchisor, without any accompanying words or symbols of any nature except as designated or approved in writing by Franchisor. Franchisee's name shall be clearly marked on all documented and electronic representations of the Franchised Business as well as on all Franchisee's advertising, stationery, business cards, purchase orders, sales slips, checks, and other business documents in a manner specified or approved by Franchisor and which clearly indicates that Franchisee is an independently owned and operated franchise operating under a license from Franchisor. Franchisee shall use ®, TM or some other symbol directed by Franchisor, to indicate to the public that each of the Marks is a trademark belonging to Franchisor.

Franchisee shall not use, as part of the corporate name of any corporation or other business entity which may operate the Franchised Business (or any other corporation or business entity in which Franchisee has any interest), any of the Marks or any variation or derivative, or any word, phrase or combination of words confusingly similar. Franchisee shall not use the Marks in connection with the sale or offering for sale of any item that Franchisor has not properly approved for sale under this Agreement. All provisions of this Agreement applicable to the Marks shall apply to any additional proprietary trade and service marks and commercial symbols hereafter authorized by Franchisor for use by Franchisee from time to time.

12.3 **Use of Copyrights.** Franchisee acknowledges that Franchisor is the owner of the copyright in the Manual, the Intranet and all other materials which form part of the Program (as well as all revisions and additions of or to any of the foregoing) (collectively, the "**Copyrighted Materials**"). Franchisee acknowledges that Franchisee's right to use the Copyrighted Materials is derived solely from this Agreement and is limited to the conduct of business by Franchisee under to and in compliance with this Agreement and all applicable specifications, standards and operating procedures prescribed in writing by Franchisor. Any unauthorized use of any of the Copyrighted Materials by Franchisee shall be an infringement of the rights of Franchisor in and to the Copyrighted Materials and shall constitute a breach of this Agreement. Franchisee agrees not to directly or indirectly contest or oppose Franchisor's application for registration or protection of any of the Copyrighted Materials in the United States or elsewhere. Franchisee will ensure that all Copyrighted Materials used by Franchisee bear whatever copyright notice may be prescribed from time to time in writing to Franchisee by Franchisor.

12.4 **Notification of Infringement.** Franchisee shall notify Franchisor immediately upon learning of any apparent or potential infringement of or challenge or claim to any of the Marks or any of the Copyrighted Materials or any claim to any rights in or to any of the Marks or Copyrighted Materials made by anyone that comes to the notice of Franchisee. Franchisor shall have sole discretion to take such action as it deems appropriate and the right to control exclusively any litigation or other proceeding arising out of any such infringement, challenge or claim, and Franchisee agrees to execute all documents, render

such assistance and do all acts and things as may, in the opinion of Franchisor or its legal counsel, be necessary or advisable to protect and maintain the interests of Franchisor in any such litigation or other proceeding or otherwise to protect and maintain the interests of Franchisor and its franchisees in the Marks and Copyrighted Materials. Franchisor is not obligated to indemnify Franchisee against any losses or damages incurred by Franchisee because of a successful claim of infringement brought by a third party and related to Franchisee's use of the Marks in accordance with the terms of this Agreement.

12.5 Acts in Derogation of Franchisor's Rights. Franchisee acknowledges that all goodwill and ownership rights arising out of the use by Franchisee of the Marks, the Copyrighted Materials and any other part of the Program shall accrue solely to Franchisor and the Program as a whole, and that Franchisee shall assert no claim to any goodwill by virtue of the licensed use thereof. Franchisee will not dispute or impugn the validity of any of the Marks or the rights of Franchisor, or do, assist, or permit any act or thing to be done in derogation of the Marks. Franchisee will take such action (including signature and assistance in preparation of documents or the giving of testimony) as may be requested by Franchisee to evidence, transfer, vest or confirm the Company's rights and ownership in the Marks, the Copyrighted Materials and any other part of the Program. If Franchisor is unable for any reason to secure Franchisee's signature to fulfill the intent of this paragraph, then Franchisee irrevocably appoints the Franchisor and its authorized agents as agent and attorney in fact, to transfer, vest or confirm Franchisor's rights and to execute and file any such applications and do all other lawful acts to further the intent of this Section with the same legal force as if done by Franchisee.

12.6 Changes in Marks and Copyrighted Materials. If Franchisor deems it advisable to modify or discontinue use of any Marks or Copyrighted Materials or to adopt for use in the Program any additional or substitute marks or copyrights, then Franchisor shall give written notice thereof to Franchisee, and Franchisee shall promptly comply with such notice. All provisions of this Agreement applicable to Marks and Copyrighted Materials shall apply to all additional, substituted or modified Marks and Copyrighted Materials hereafter adopted by Franchisor or its Affiliates and authorized for use by Franchisee by written notice.

12.7 Use of Know-How. Franchisee acknowledges that Franchisor possesses know-how comprised of methods, techniques, specifications, materials, procedures, information, systems and knowledge of and experience in the provision of the Services through the Franchised Business (collectively, the "**Know-How**"). Franchisor will disclose the Know-How to Franchisee in the training program, the Manual and in guidance furnished to Franchisee during the Term and any exercised Renewal Term. Franchisee will not acquire any proprietary interest in the Know-How or any part of it, other than the right to use it in the operation of the Franchised Business. Franchisee acknowledges that the Know-How is proprietary and, except to the extent that it is or becomes generally known in the junk removal industry, the Know-How and every part of it comprises a valuable trade secret of Franchisor.

12.8 Confidential Information. Franchisee acknowledges that all intellectual property, trade secrets, designs, materials, and other features of the Services and the information, techniques, procedures, methods, systems and format now and hereafter comprised in the Program, including, without limitation, the Password and the Know-How, and revealed within or under this Agreement and the Manual (the "**Confidential Information**"), are revealed in strictest confidence and Franchisee covenants to keep and respect the confidence so reposed. Franchisee shall neither directly or indirectly use nor permit any of its directors, officers, shareholders, employees, agents or other representatives to use for any purpose inconsistent with this Agreement nor reveal to any person, firm or corporation, both while this Agreement is in force and for an unlimited time thereafter, any Confidential Information which Franchisee has acquired through or as a result of its relationship with Franchisor including, without limitation, any contents of this Agreement, the Intranet and the Manual. Upon request by Franchisor, Franchisee will cause the employees of the Franchised Business to sign a form of confidentiality covenant prepared by Franchisor.

13. INSURANCE

13.1 **Insurance.** Franchisee shall procure and maintain in effect such insurance as Franchisor may specify in the Manual and name Franchisor, its Affiliates, or such parties as Franchisor may specify in the Manual, as an additional insured and furnish proof of such insurance to Franchisor and shall require the insurers to defend Franchisee, Franchisor, and its Affiliates, jointly and severally, in all claims and actions to which the insurance coverage are applicable. Every insurance policy of Franchisee required by this Agreement shall provide that coverage is primary/non-contributory. Franchisee's policies must include waivers of subrogation and such waivers must accompany the certificate of insurance.

14. TRAINING AND FURTHER OBLIGATIONS OF FRANCHISOR

14.1 **Initial Training.** Franchisor shall provide one initial training session of approximately five Business Days for up to four employees of Franchisee selected by Franchisee. Franchisee, its Managers, and, if Franchisee is an entity, all of its owners with a 20% or greater ownership interest in Franchisee (including the Operating Principal) must complete initial training to the satisfaction of Franchisor prior to the Scheduled Opening Date, unless waived in writing by Franchisor in its sole discretion for any particular person(s). The format and content of the training program will be determined solely by Franchisor. The cost of such initial training is included in the Initial Franchise Fee. Franchisor shall designate all training times and locations. All expenses incurred by Franchisee and other trainees in connection with and during such training including without limitation those related to transportation, accommodation, meals and other living expenses, wages and other employment benefits shall be at the sole expense of Franchisee.

14.2 **On-Site Training.** Franchisor will send a Representative to provide one to three days of on-site training at the Franchised Location within 180 days of Franchisee's launch, unless the Parties mutually agree to a different time period. The purpose of on-site training is to offer additional guidance on the operations and management of the Franchised Business.

14.3 **Retraining.** In the event that Franchisee is not operating the Franchised Business in full accordance with the Program and this Agreement, which determination Franchisor shall make in its sole discretion, Franchisor shall have the right to send its representatives to the Franchised Location to conduct retraining of Franchisee's representatives and employees as Franchisor determines to be appropriate in the circumstances. Franchisee shall reimburse Franchisor upon demand for all out-of-pocket costs incurred by Franchisor in connection with such retraining, including all transportation, lodging and meal expenses incurred and reasonable hourly charges for representatives of Franchisor providing the retraining.

14.4 **Initial and Ongoing Information, Goods, and Services.** Franchisor shall provide to Franchisee:

- (a) one Manual on loan;
- (b) login and password for access to the Intranet;
- (c) additional training materials developed by Franchisor from time to time;
- (d) marketing materials and other sales aids developed by Franchisor from time to time (at Franchisee's expense);
- (e) promotional advice and recommendations at the time when the Franchised Business opens for business and ongoing promotional advice and recommendations on a reasonable basis thereafter;

(f) regular communications to keep Franchisee up to date with respect to important developments in the Program; and

(g) ongoing reviews and a summary annual review of the operation and management of the Franchised Business which will be conducted by one or more representatives of Franchisor.

14.5 ***Continuing Support.*** Franchisor shall make one of its representatives available to Franchisee, during Franchisor's normal business hours, for consultation and guidance with respect to operation or management of the Franchised Business. Reasonable consultation and guidance will be given by telephone, electronically, or in paper form.

14.6 ***Refresher Training.*** From time to time, Franchisor or its Representative may, in Franchisee's sole discretion, offer additional training programs to existing franchisees. Such training may be offered electronically or live at various locations. Franchisor may require Franchisee to cause certain owners, Managers, or employees to attend and successfully complete any additional training programs that Franchisor designates as mandatory. Franchisor does not charge for Refresher Training, but Franchisee must pay any expenses incurred to attend any live versions of Refresher Training, such as travel, food, and lodging.

15. TERMINATION BY FRANCHISEE

Franchisee may not terminate this Agreement prior to its expiration date unless otherwise provided by Applicable Laws.

16. REMEDIES OF FRANCHISOR UPON DEFAULT BY FRANCHISEE

16.1 ***Definition of "Material Default."*** For the purposes of this Agreement, the phrase "**Material Default**" shall mean any one of the following defaults:

(a) failure to pay any sum owed to Franchisor or another person or entity for a period of 30 days after written notice of such default has been delivered by Franchisor to Franchisee, including without limitation pursuant to any promissory note;

(b) failure to comply with any other obligation of Franchisee contained in this Agreement or any other agreement between Franchisee and Franchisor or any Affiliate or nominee of Franchisor for a period of 30 days after written notice of such default has been delivered by Franchisor to Franchisee; provided, however, that if the nature of such default is such that it cannot be cured within a 30 day period, and Franchisee takes reasonable action to cure such default immediately upon receiving such notice and diligently continues to do so, then Franchisee shall have such additional period of time as is reasonably necessary to cure such default;

(c) failure to commence operation of the Franchised Business on the Scheduled Opening Date or doing or omitting to do anything which causes the Franchised Business to be closed for business or otherwise not operating in full compliance with this Agreement for five consecutive Business Days or any five Business Days in any 30-consecutive-day period, without the prior written consent of Franchisor;

(d) failure to remain in good standing under the terms of any Vehicle loan agreement, financing arrangement or lease, or doing or omitting to do anything else which gives anyone the right to terminate such an agreement, arrangement or lease or take possession of a Vehicle;

(e) Franchisee becoming insolvent in that it is unable generally to pay bills in the ordinary course of business as they become due;

(f) an assignment or attempted assignment of his Agreement by Franchisee, including an involuntary assignment under applicable matrimonial laws, in whole or in part, without obtaining the prior written consent of Franchisor as required by this Agreement;

(g) Franchisee intentionally falsifying, misrepresenting or misstating to Franchisor any information contained in a financial statement, report or other document which Franchisee provides to franchisor whether prior to or after the signing of this Agreement;

(h) Franchisee engaging in misleading advertising, misuse of the Marks, or operating the Franchised Business in a dishonest, illegal or unethical manner, or having its business license for the Franchised Business suspended or revoked;

(i) Franchisee failing to rectify diligently any order issued by a governmental authority concerning breach of any health, safety, or other regulation or legal requirement applicable to the Franchised Business within the time frame required by the government authority;

(j) a personal or corporate Franchisee or any director or officer of a corporate Franchisee being convicted of an indictable offence which in the reasonable opinion of Franchisor could bring the Program, any of the Marks or any other part of the goodwill established into disrepute; and

(k) Franchise receives three or more notices of default under this Section 16.1 or Section 16.2 (Cross Default) in any 12-month period, whether or not such defaults are cured after notice.

The defaults, which do not have an opportunity to cure specified, shall be deemed incurable.

16.2 Cross Default. If Franchisee, its owners, or any partnership, joint venture, or corporation in which one or more of Franchisee or its owners has a controlling interest, is a franchisee under another franchise agreement with Franchisor respecting another Franchised Business, or any addendum to this Agreement, or if Franchisee and Franchisor have entered into any direct or indirect financing agreement, a default under such other franchise agreement, financing agreement or addendum shall constitute a default under this Agreement, and should such other franchise agreement, financing agreement or addendum for any reason be terminated, Franchisor may, at its option, terminate this Agreement.

16.3 Termination for Material Default. If Franchisee commits any Material Default under this Agreement (and if specified as a curable default, fails to cure such default in the applicable cure period), Franchisor may terminate this Agreement immediately upon giving written notice to Franchisee. In the event of any such default, Franchisor may exercise any and all rights and remedies available to Franchisor under law, including all rights and remedies provided to Franchisor under this Agreement and any Guarantees.

16.4 Other Remedies for Material Default. In the event of a Material Default of this Agreement, and in addition to the other remedies provided in this Agreement or under Applicable Laws, Franchisor may:

(a) bring such action for interim, interlocutory, and permanent injunctive or mandatory order or other similar relief as may be necessary to compel Franchisee to comply with Franchisee's obligations contained or referred to in this Agreement;

(b) without waiving any claim for default and without prior notice to Franchisee, take whatever steps Franchisor deems necessary to cure any default by Franchisee for the account of and on behalf of Franchisee, and Franchisee hereby irrevocably appoints Franchisor as its attorney to do so; and

(c) without waiving any claim for default and without prior notice to Franchisee, enter upon any premises upon which the Franchised Business is conducted without being liable to Franchisee in any way for such entry, for the purposes of securing the return of any of Franchisor's property, performing or compelling performance of Franchisee's obligations to Franchisor and protecting Franchisor's rights upon expiration or termination of this Agreement.

16.5 Liquidated Damages After Termination. Franchisee acknowledges that any termination of this Agreement before the expiration of the Term will deprive Franchisor of the benefit of the bargain Franchisor is entitled to receive under this Agreement. As a result, if this Agreement is terminated after the Scheduled Opening Date due to a Material Default by Franchisee, Franchisee must pay Franchisor, as liquidated damages for the loss of the benefit of the bargain Franchisor is entitled to receive, and not as a penalty, a lump-sum payment equal to the average monthly ongoing fees (which include the Royalty, Customer Call Center Fund Fee, and Advertising Fund fee) Franchisee owed Franchisor during the 12 months before the termination date times the lesser of the remainder of the Term or 36 months. If less than 12 months have elapsed between the Scheduled Opening Date and the termination date, the liquidated damages will be the average monthly ongoing fees during the time between the Scheduled Opening Date and the termination date, multiplied by 36. If the termination occurs before the Scheduled Opening Date, Franchisee will forfeit the Initial Franchise Fee paid and will not owe Franchisor any liquidated damages. Franchisee will pay all amounts stated in this Section within 30 days after the termination of this Agreement. Franchisee agrees, and shall direct any party construing this Agreement to conclusively presume, that the damages stated in this Section: (i) are true liquidated damages; (ii) are intended to compensate Franchisor for the harm it will suffer; (iii) are not a penalty; (iv) are a reasonable estimate of Franchisor's probable loss resulting from Franchisee's defaults, viewed as of the termination date; and (v) will be in addition to all other rights Franchisor has to obtain legal or equitable relief. Franchisor shall have the right to set off any credits, balances or amounts Franchisor owes to Franchisee against the amounts Franchisee owes under this Section. Franchisee also agrees that, in the case of a termination as a result of a Material Default, Franchisor also will suffer damages other than lost ongoing monthly fee (including, without limitation, loss of goodwill relating to the Marks and lost business opportunities).

16.6 Telephone Number(s). Rights to the telephone or facsimile number or numbers which are utilized in connection with the Franchised Business shall be held by Franchisee in trust for Franchisor and, on expiration or earlier termination of this Agreement, Franchisee hereby irrevocably authorizes Franchisor to do whatever is necessary (including executing documents in the name of Franchisee) to transfer all rights to such number or numbers to Franchisor or an assignee of Franchisor. Further, Franchisor will itself execute similar documents if the telephone company so requests. Franchisee shall not use any personal or residential telephone numbers in the operation of the Franchised Business.

16.7 Operations Manual. Franchisee acknowledges that the Manual is loaned to Franchisee and shall at all times remain the sole and exclusive property of Franchisor, and upon the expiration or termination of this Agreement for any reason whatsoever, Franchisee shall return the Manual together with all copies of any portion of the Manual which Franchisee may have made, to Franchisor.

16.8 Remedies Cumulative. The rights and remedies of Franchisor contained in this Section 16 and elsewhere in this Agreement or in a document referred to in this Agreement are cumulative and no exercise or enforcement of any right or remedy by Franchisor shall preclude its exercise or enforcement of any other right or remedy to which Franchisor is entitled by law, in equity or otherwise.

17. SECURITY INTEREST

17.1 ***Grant of Security Interest.*** Franchisee hereby grants to Franchisor a security interest in all of Franchisee's interest in all leasehold improvements, furniture, furnishings, fixtures, equipment, inventory and supplies located at or used in connection with the Franchised Business, now or hereafter leased or acquired, together with all attachments, accessions, accessories, additions, substitutions and replacements therefore, all cash and non-cash proceeds derived from insurance or the disposition of such collateral, to secure payment and performance of all debts, liabilities and obligations of any kind, whenever and however incurred, of Franchisee to Franchisor.

Franchisee agrees to execute and deliver to Franchisor in a timely manner all financing statements and other documents necessary or desirable to evidence, perfect and continue the priority of such security interests under Applicable Laws. For such purposes, the address of Franchisee and Franchisor are as stated in this Agreement. If Franchisee is in good standing, Franchisor agrees, upon request, to execute subordinations of its security interest to suppliers, lenders, and/or lessors furnishing equipment or financing for the Franchised Business.

18. FRANCHISEE'S OBLIGATIONS UPON EXPIRATION OR TERMINATION

18.1 ***Payment of Accounts.*** Within 15 days after expiration or termination of this Agreement (or on such later date as such debts are due), Franchisee will pay, by bank draft, all outstanding amounts payable by Franchisee to Franchisor.

18.2 ***Discontinuance.*** Upon expiration or termination of this Agreement, Franchisee shall:

(a) Stop identifying itself as a Junk Punks franchisee, never hold out as a former Junk Punks franchisee and cease, and not thereafter commence, use of any of the Marks or any marks which are likely to be confused with the Marks;

(b) Return to Franchisor the Manual, all advertising and training materials and all other confidential information relating to the Program, as well as all other property of Franchisor, upon expiration or earlier termination of this Agreement;

(c) Cease use of the Intranet;

(d) Promptly remove any signage from the Franchised Location and any other premises from which the Franchised Business is conducted which uses the Marks or otherwise and refers, directly or implicitly, to the Program; and

(e) Change the color scheme of the Franchised Location and Vehicles to one that differentiates it from the color scheme of the Program.

18.3 ***Power of Attorney.*** Following expiration or earlier termination of this Agreement, Franchisor may execute in Franchisee's name and on Franchisee's behalf all documents necessary or advisable in Franchisor's judgment to terminate Franchisee's use of the Marks and Franchisor is hereby irrevocably appointed as Franchisee's attorney to do so, and such appointment, to the extent permitted by Applicable Laws, shall survive the incapacity or death of an individual Franchisee.

19. RENEWAL

If Franchisee is in full compliance with this Agreement, has not committed any Material Default that has not been remedied and meets Franchisor's then current standard requirements for franchisees, then Franchisor will enter into a new franchise agreement with Franchisee for the renewal term(s) specified in Schedule A (the "**Renewal Term**"), upon the following terms and conditions:

(a) Franchisee must give written notice of the right of renewal to Franchisor not more than 12 calendar months nor less than nine calendar months prior to expiration of the Term;

(b) Franchisee shall, not less than six calendar months prior to the expiration of the Term execute Franchisor's then-current form of franchise agreement, which may include materially different terms and fees and a revised Territory and which shall be adjusted to remove any additional renewal terms;

(c) Franchisee shall upon signing the then-current franchise agreement pay to Franchisor a non-refundable renewal fee of \$5,000; and

(d) Franchisee shall execute and, if Franchisee is a corporation, partnership or joint venture, shall cause all of its then current shareholders, directors, officers, partners and joint venturers to execute a general release, in a form provided by Franchisor, of any and all claims against Franchisor, its past and present employees, agents, officers, directors, including its Affiliates, their respective past and present employees and other representatives.

20. ASSIGNMENT OR TRANSFER

20.1 ***Assignment or Transfer by Franchisee.*** Franchisee shall not assign or transfer, in whole or in part, Franchisee's interest in this Agreement or the Franchised Business except upon Franchisor's written consent and the terms and conditions provided in this Section 20. Franchisor has discretion to grant or reasonably withhold its consent to any proposed assignment or transfer. Franchisor's consent to any assignment or transfer shall not constitute a waiver of any claim, demand, action or cause of action which it may have against Franchisee, and shall not constitute a release of any third party guarantee or covenant for performance of this Agreement by Franchisee.

20.2 ***Transfer of Interest in Corporate Franchisee.*** Without limiting the foregoing section, in the event that Franchisee is a corporation, partnership or other form of business organization, any material change in the legal or beneficial ownership of Franchisee, whether by agreement, court order, or by operation of law will be deemed an assignment or transfer of this Agreement by Franchisee. For the purposes of this paragraph, a material change in ownership will be any cumulative change in the legal or beneficial ownership of voting shares (or comparable voting units) representing more than 20 percent of all outstanding voting shares (or comparable voting units).

20.3 ***Conditions of Consent.*** Any consent given to Franchisee to assign, transfer, sell, or otherwise alienate Franchisee's interest in this Agreement and the Franchised Business shall be subject to the following conditions:

(a) Franchisee shall submit all proposed advertisements for the sale of the Franchised Business to Franchisor for prior written approval, and Franchisor shall approve the material terms and conditions of any proposed transfer or assignment;

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

(c) Franchisee shall pay a non-refundable transfer fee of \$25,000, to reimburse Franchisor for its costs and expenses associated with reviewing and processing the application and providing training to the assignee; provided, however, Franchisor shall waive the transfer fee for any transfer to Franchisee's majority owner's immediate family member (spouse or children);

(d) Transferee shall execute Franchisor's then-current form of assignment of franchise agreement or, at the election of Franchisor, the transferee shall execute Franchisor's then-current form of franchise agreement (which may have materially different terms and fees) for a new full term and no initial franchise fee (in light of the transfer fee paid to Franchisor);

(e) Franchisee shall return to Franchisor the Manual and all other manuals and materials provided, for re-issuance to the assignee or transferee;

(f) Franchisee and its principals shall each execute a release in the form provided by Franchisor and described in Section 20.5 (Franchisee's Release of Claims);

(g) the assignee or transferee and its designated owners and managers shall have completed to Franchisor's satisfaction Franchisor's then-current training program;

(h) all obligations of Franchisee under this Agreement and under all documents relating to any other agreements then in effect between Franchisor or its proposed assignee and Franchisee shall be in good standing;

(i) Franchisee shall provide evidence sufficient to Franchisor, acting reasonably, that the assignee or transferee has either taken an assignment or deemed assignment of the Vehicle loan (with the consent of the lessor), or that the Vehicle loan has been terminated and the proposed assignee or transferee has entered into a new Vehicle loan meeting Franchisor's then-current specifications; and

(j) the assignee or transferee shall execute Franchisor's then current form of guarantee.

20.4 Transfers to an Entity by Personal Franchisee. If Franchisee is an individual, then his or her assignment of this Agreement to an entity formed solely for the purpose of owning and operating the Franchised Business under this Agreement shall not be deemed an assignment of this Agreement, on condition that at least 15 days prior to an assignment being effected, Franchisee provides full written details of the proposed assignment to Franchisor and both Franchisee and proposed assignee certifying that:

(a) Franchisee has, and will retain at all time during the Term or exercised Renewal Term legal and beneficial ownership at least 75% of the outstanding voting equity of the assignee entity;

(b) Franchisee is and will remain the principal officer, chairman, director, partner, member, or manager of the assignee entity;

(c) all equity holders (both legal and equitable), partners, members, managers, directors and officers of the assignee entity will sign Franchisor's then current form of guarantee whereby they will, among other things, jointly and severally guarantee performance of this Agreement by the entity;

(d) notwithstanding the assignment, the assignor shall remain liable, jointly and severally with the assignee entity and guarantors, for all obligations of Franchisee contained here, and concurrently with the assignment, the assignor will execute and become bound by the Franchisor's then-current form of guarantee;

(e) the assignor assigns to the assignee all and not less than all of the Agreements entered into between the Franchisor and assignor including without limitation, all franchise agreements;

(f) the assignor assigns to the assignee all Assets, leases, intangibles (including, without limitation, insurance contracts), and all other assets held by the assignor that are necessary for or used in the Franchised Business; and

(g) the assignee has no material liabilities that would affect the ability of the assignee to carry on the Franchised Business.

Additionally, the provisions of Sections 20.3(d), (e), (f), (g), and (i) above shall apply, with the necessary changes, to the proposed assignment.

20.5 Franchisee's Release of Claims. It shall be a condition of Franchisor's consent to any assignment that Franchisee and its principals each deliver to Franchisor, in a form provided by Franchisor, a complete release of all claims against Franchisor in a form prescribed by Franchisor.

20.6 Death, Incapacity, or Permanent Disability. In the event of the death or permanent disability of a personal Franchisee (or a principal of Franchisee where Franchisee is a corporation or other entity and its principal is the manager of the Franchised Business), then Franchisee or estate of a deceased personal Franchisee shall have the right, within six (6) months after such event, to assign this Agreement to an assignee who is, in Franchisor's opinion, financially and operationally capable of performing the obligations of Franchisee hereunder, provided that each of the conditions set out in Section 20.3 (Conditions of Consent) are fulfilled to the reasonable satisfaction of Franchisor.

For the purposes of this Section 20.6, permanent disability means the inability of the personal Franchisee or principal to manage effectively the day-to-day operation of the Franchised Business for a period of 30 days. During any period of disability (permanent or otherwise) or pending assignment or in the event of death as aforesaid, in the event the Franchisee does not or is unable to replace the Manager as required by Section 11.1 (Managers), Franchisor may appoint a competent and trained manager to operate the Franchised Business for the account of Franchisee. The substitute manager shall be deemed for all purposes to be the agent or employee of Franchisee. Franchisor shall not be liable to Franchisee or to any creditor of the Franchised Business for any debt, obligation, contract, loss, or damage incurred, or for any purchase made during any period in which the Franchised Business is so managed.

20.7 Right of First Refusal. If Franchisee or its shareholders shall at any time determine to sell, assign or transfer this Agreement or an interest in the Franchised Business or any equity interest in Franchisee (if an entity), then Franchisee shall provide Franchisor with a copy of the written offer from a fully disclosed purchaser. Franchisor shall have the right, exercisable by written notice delivered to Franchisee within 15 days from the date of delivery of a bona fide offer, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer and shall have not less than 60 days to prepare for closing. Franchisor may, at closing, pay any of Franchisee's trade creditors out of the purchase price, and set off against the purchase price any unpaid debts of Franchisee to Franchisor.

If Franchisor does not exercise its right of first refusal, Franchisee (or other vendor) may complete the sale to such purchaser per the terms of such offer, subject to compliance with the consent and approval requirements of this Section 20; provided, however, that if the sale to such purchaser does not complete within 90 days after delivery of such offer to Franchisor, or if there is a material change in the terms of the sale, then Franchisor shall again have a new right of first refusal as provided here.

20.8 Assignment by Franchisor. This Agreement may be assigned in whole or in part by Franchisor. If Franchisor makes a full assignment to a third party who assumes all of the obligations and liabilities of Franchisor, then Franchisor shall automatically be released from all obligations and liabilities under this Agreement. A partial assignment by Franchisor may include an assignment of the Royalties payable by Franchisee.

20.9 Legend on Share Certificates. If Franchisee is an entity, Franchisee shall cause all shares of its capital stock or indications of ownership; the following legend, with necessary changes:

The Company and the securities evidenced by this certificate are subject to, and the disposition and transfer of such securities are restricted by, a franchise agreement dated as of the date between Company and Junk Punks Franchising Company LLC, a Florida limited liability company, a copy of which may, at the request of any shareholder of the corporation, be examined at the principal business office of the Company during normal business hours.

21. NON-COMPETITION

21.1 In-Term Non-compete. Franchisee and its owners will not during the term of this Agreement directly or indirectly engage in the provision of junk collection or removal services anywhere other than as a Franchisee under this Agreement.

21.2 Post-Term Non-compete. Franchisee and its owners will not, for a period of two years after expiration or termination of this Agreement, within the Territory or within 25 miles of the boundaries of the Territory, directly or indirectly engage in the provision of junk collection or removal services.

21.3 Other Agreements. Franchisee shall bind its officers and Managers to non-compete agreements in a form approved by Franchisor that include the restrictions set forth in this Section 21.

21.4 Severability. If any covenant or provision in this Section 21 is determined to be void or unenforceable, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision. Further, these obligations are considered independent of any other provision in this Agreement, and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this Agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

22. FRANCHISOR REPRESENTATIONS

22.1 Earnings, Representations, or Projections. Franchisee acknowledges that except as stated in the Disclosure Document, neither Franchisor nor anyone else has made any representation, warranty, or guarantee regarding the level of Gross Revenue, net income or profit margins that may be achieved at the Franchised Business. The results achieved at the Franchised Business will be particular to the Franchisee. Franchisee accepts the risk of the Franchised Business not achieving the levels of Gross Revenue and net income during the Term that Franchisee at the Effective Date hopes to achieve.

23. DISPUTE RESOLUTION

23.1 **Choice of Law.** This Agreement will be governed by and construed and enforced in accordance with the laws of the state of Florida. In the event of any conflict-of-law question, the laws of Florida shall prevail, without regard to the application of Florida conflict-of-law rules.

23.2 **Jurisdiction and Venue.** Franchisor and Franchisee agree that venue and jurisdiction for any claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties (“Claims”) shall be proper solely in the state and federal court nearest to Franchisor’s corporate headquarters, presently located in Pinellas County, Florida.

23.3 **Jury Waiver.** In any trial between any of the parties as to any Claims, Franchisor and Franchisee agree to waive their rights to a jury trial and instead have such action tried by a judge.

23.4 **Class Action Waiver.** Franchisee agrees to bring any Claims, if at all, individually, and Franchisee shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against Franchisor.

23.5 **Punitive Damages Waiver.** As to any Claims, Franchisor and Franchisee agree to waive their rights, if any, to seek or recover punitive damages.

23.6 **Limitation of Actions.** Franchisee agrees to bring any Claims against Franchisor, if at all, within one year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

23.7 **Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, Franchisee must notify Franchisor within 30 days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

23.8 **Mediation.** Before Franchisee may bring any Claim against Franchisor in court, Franchisee agrees to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where Franchisor’s headquarters are located. If the parties cannot mutually agree on a mediator, the parties agree to use the mediation services of the American Arbitration Association (“AAA”) and split any AAA and mediator fees equally.

23.9 **Waiver of bond.** Franchisee agrees that if Franchisor is forced to bring suit to enforce any provision of this Agreement, Franchisee agrees to waive any requirement that Franchisor post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

23.10 **Third-Party Beneficiaries.** Franchisor’s officers, directors, members, shareholders, agents, and employees are express third-party beneficiaries of the terms of the provisions contained in this Section 23.

23.11 **Attorneys’ Fees.** If Franchisor is the substantially prevailing party as to any Claims, Franchisee agrees to reimburse Franchisor’s costs and attorneys’ fees incurred in pursuing or defending the Claims. Franchisee will also pay to Franchisor all damages, costs, and expenses, including reasonable attorneys’ fees, that Franchisor after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provision of his Agreement.

24. MISCELLANEOUS

24.1 ***Indemnity by Franchisee.*** Except as otherwise provided in this Agreement, Franchisee agrees to indemnify and save harmless Franchisor, its subsidiaries, Affiliates, shareholders, directors, officers, employees, agents, assignees and other franchisees from and against, and to reimburse them for, all liabilities, obligations, and consequential damages, taxes, costs, losses and actual legal expenses incurred by them in connection with any claim, litigation or other action or proceeding arising out of the operation of the Franchised Business by Franchisee, including, without limitation, any allegation that Franchisor or another indemnified party is a joint employer or otherwise responsible for Franchisee's acts or omissions relating to Franchisee's employees. Franchisee shall be responsible for and shall pay and satisfy any judgment or settlement that may arise out of any such claim, litigation, action, or proceeding. Without limiting the generality of the foregoing, Franchisee agrees that if Franchisor is made a party to any lawsuit or any other action or proceeding in connection with the Franchised Business or the activities of Franchisee or any of its Affiliates, Franchisor may, at its sole option, either (a) permit Franchisee to conduct the defense or prosecution of the matter at the cost of Franchisee; or (b) take conduct of the defense or prosecution, in which case all expenses thereof will be borne or reimbursed by Franchisee. This indemnity shall continue in full force after termination or expiration of this Agreement.

24.2 ***Interest on Overdue Amounts.*** All payments required to be made by Franchisee to Franchisor under this Agreement shall bear simple interest from and after their respective due dates until paid in full at the lesser of 10% per annum or the maximum rate permitted by Applicable Laws.

24.3 ***Application of Payments.*** Franchisor shall have sole discretion to apply any payments made by Franchisee to any past due indebtedness of Franchisee, including but not necessarily limited to Royalties, Customer Call Center Fees, purchases from Franchisor, or any of its Affiliates, interest or other indebtedness. Subject to Applicable Laws and prior claims, if any, and unless otherwise indicated by Franchisor from time to time, all amounts paid by Franchisee to Franchisor under this Agreement, will be applied in the following order: (i) to any unpaid Royalty; (ii) to any unpaid account for supplies or other miscellaneous accounts, and (iii) to any unpaid Customer Call Center Fee. Payments towards any particular account shall first be applied towards interest on arrears, if any, then towards principal.

24.4 ***Parties are Independent Contractors.*** This Agreement does not create, nor does any conduct by any party create, a fiduciary or other special relationship or make Franchisor or Franchisee an agent, legal representative, joint venturer, joint employer, partner, employee or servant of each other for any purpose. Franchisee is not authorized to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to create any obligation, express or implied, on Franchisor's behalf. Franchisee is, and shall remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the Franchised Business and its business, including any personal property, Vehicles, assets, or real property and for all claims or demands based on damage or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly, resulting from the operation of the Franchised Business. Further, Franchisor and Franchisee are not and do not intend to be partners, associates, or joint employers in any way, and Franchisor shall not be construed to be jointly liable for any of Franchisee's acts or omissions under any circumstances. Franchisor has no relationship with Franchisee's employees, and Franchisee has no relationship with Franchisor's employees.

24.5 ***Conformity with Laws.*** If any Applicable Law requires a longer or different notice period than that specified here, the notice period shall automatically be deemed amended to conform to the minimum requirements of such law.

24.6 ***Additional Franchises.*** Franchisee acknowledges that Franchisor may from time to time grant franchises for additional Franchised Businesses under terms that may differ materially from the terms

of this Agreement and that consequently Franchisor's obligations and rights with respect to its various franchises may from time to time differ materially from those provided in this Agreement.

24.7 **Waiver.** Franchisor reserves the right, from time to time, to waive observance or performance of any obligation imposed on Franchisee by this Agreement. No waiver of any default of any term of this Agreement by Franchisor shall constitute a waiver by Franchisor of any other default.

24.8 **Entire Agreement.** This Agreement, including the Schedules is the entire agreement between the parties with respect to the subject matter. This agreement supersedes any prior oral or written statements not a part of this Agreement or otherwise referenced in this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document it furnished to Franchisee.

24.9 **Amendments.** This Agreement can be amended or added to only by a writing executed by both Franchisor and Franchisee.

24.10 **Further Assurances.** Franchisor and Franchisee will each execute and deliver all such further documents, instruments, or assurances and will each perform such further acts or deeds as may be necessary or advisable from time to time to give full effect to this Agreement.

24.11 **Survival of Covenants.** The terms, provisions, covenants, conditions and obligations contained in or imposed by this Agreement, which, by their terms, require performance by Franchisee after the expiration or other termination of this Agreement, shall be and remain enforceable thereafter.

24.12 **Notices.** All notices required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery: (i) personally; (ii) by certified or registered mail, postage prepaid; or (iii) by overnight delivery service. Notices to you will be sent to the address set forth on Schedule A or the Franchised Location. Notices to us must be sent to:

Junk Punks Franchising Company LLC
8800 49th Street N, Suite 203
Pinellas Park, FL 33782
Attn: Logan Sullivan, Manager

Either party may change its mailing address by giving notice to the other party. Notices will be deemed received the same day when delivered personally, upon attempted delivery when sent by registered or certified mail or overnight delivery service, or the next business day when sent by facsimile. All routine requests for approval related to day-to-day operations (and communications related to such requests) must be in writing, but may be communicated via e-mail to the addresses provided by such other party.

24.13 **Submission of Agreement.** The submission of this Agreement to Franchisee does not constitute an offer by Franchisor. This Agreement shall only become effective upon signing by both Franchisor and Franchisee.

24.14 **Consents.** Unless otherwise expressly provided here, any time Franchisor is to provide written consent or approval to Franchisee under this Agreement, such consent or approval shall not be unreasonably withheld.

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

24.16 ***Force Majeure.*** A “**Force Majeure**” is any occurrence, event, or condition beyond your or our reasonable control that is not reasonably foreseeable and cannot be reasonably avoided, which may include an (a) act of God, terrorism, war, insurrection, civil commotion, chemical or nuclear contamination, strike, epidemic, or embargo; (b) lack of water, materials, or power specified or reasonably necessary for the operation of your Franchised Business or our business; (c) fire, hurricane, tornado, earthquake, flood, or other unavoidable property casualty; or (d) act or order by a governmental authority (not limited to or caused by the party asserting the Force Majeure) that prevents or materially hinders or delays either party from providing services under this Agreement. If a Force Majeure occurs, provided that the party promptly provides the other party with written notice of the Force Majeure, the party so affected will be relieved of its respective obligations to the extent that that party is necessarily prevented, or materially hindered or delayed, in performance during the period of the Force Majeure, except a Force Majeure shall not relieve a party of any (i) payment obligations for monies owed, (ii) obligations that existed prior to the start of the period of the Force Majeure, (iii) obligations that start after the period of Force Majeure, or (iv) other obligations that are not necessarily prevented, or materially hindered or delayed during the period of the Force Majeure.

IN WITNESS WHEREOF Franchisor and Franchisee have executed this Agreement with the Effective Date shown in Schedule A.

FRANCHISOR:

Junk Punks Franchising Company LLC, a Florida limited liability company

By: _____

Name: _____

Title: _____

FRANCHISEE:

[Entity Name]

By: _____

Name: _____

Title: _____

SCHEDULE A

FRANCHISEE-SPECIFIC TERMS

1. **Effective Date:**
2. **Franchisee's Name:**
3. **Franchisee's State of Organization (if applicable):**
4. **Franchised Location** (Section 2.1(a)):
5. **Territory** (Section 2.2): The "Territory" is the following county or counties:
6. **Scheduled Opening Date of Franchised Business** (Section 2.3): _____, which Franchisor may extend by up to 60 days under Section 2.3.
7. **Owners** (Section 2.6): If Franchisee is an entity, the following persons constitute all of the owners of a legal and/or beneficial interest in Franchisee:

Name	Address	Percentage Ownership

8. **Operating Principal** (Section 2.8):
9. **Initial Franchise Fee** (Section 3): \$_____, due upon Effective Date.
10. **Manager** (Section 11.1): _____ shall be the initial Manager of the Franchised Business.
11. **Renewal Term** (Section 19): one additional 3-year term.
12. **Franchisee's Address for Notices (Section 24.12):**

SCHEDULE B

GUARANTEE

THIS GUARANTEE, is made and entered into effective as of _____ by _____ (collectively referred to as **“Guarantors”** and individually referred to as a **“Guarantor”**), in favor of JP Franchising, LLC, a Florida limited liability company (the **“Franchisor”**).

RECITALS

- A. Franchisor is entering into a Franchise Agreement, dated _____ (the **“Franchise Agreement”**), with _____ (**“Franchisee”**).
- B. Each Guarantor is an owner of a legal and/or beneficial interest in Franchisee and will directly or indirectly benefit from Franchisor entering into the Franchise Agreement with Franchisee.
- C. Franchisor is unwilling to enter into the Franchise Agreement without the Guarantors providing this Guarantee guaranteeing Franchisee’s obligations under the Franchise Agreement.

NOW, THEREFORE, to induce Franchisor to enter into the Franchise Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors hereby agrees as follows:

AGREEMENT

- 1. The Guarantee. Each Guarantor hereby irrevocably, absolutely and unconditionally, and jointly and severally guaranties the full, complete and punctual performance by Franchisee of all of the terms and conditions of the Franchise Agreement, including any amendments or renewals thereof (collectively, the **“Guaranteed Obligations”**).
- 2. Obligations Unconditional. The obligations of Guarantors under this Guarantee are absolute and unconditional and, to the fullest extent permitted by applicable law. No dealings between Franchisor and Franchisee of any kind, whether with or without notice to Guarantor, shall affect the liability of Guarantor hereunder. Without limiting the foregoing, Guarantor hereby authorizes Franchisor, without notice or demand and without affecting Guarantor’s liability hereunder, from time to time to (a) change or extend the time, or manner, of payment of the Franchise Agreement; (b) change any of the terms, covenants, conditions or provisions of the Franchise Agreement or take and hold additional security for the payment of the Franchise Agreement, and exchange, enforce, waive and release any such security.

Additionally, each Guarantor hereby waives:

- a. Any right to require Franchisor to (i) proceed against Franchisee or any other guarantor of the obligations, (ii) proceed against or exhaust any security received from Franchisee or any other guarantor of the obligations, or (iii) pursue any other remedy in Franchisor’s power whatsoever;
- b. Presentment, demand, protest, notice of protest, notice of dishonor and notice of non-payment and notice of acceptance of this Guaranty;
- c. Any right to the benefit of, or to direct the application of, any security held by Franchisor, and, until all the indebtedness and obligations, payment and performance of which are hereby

guaranteed, have been paid and performed in full, any right to enforce any remedy which Franchisor now has or hereafter may have against Franchisee, and any right to participate in any security now or hereafter held by Franchisor;

- d. Any right to require Franchisor to proceed against Franchisee or to proceed against any other security now or hereafter held by Franchisor or to pursue any other remedy in Franchisor's power; and
 - e. Any right to receive from Franchisor any communication whatsoever with respect to performance of the Obligations by Franchisee (including any subsequently created obligation or liability of Guarantors to Franchisor); notice of the existence or creation of any liabilities under the Franchise Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Franchisee and Franchisor resulting from the Franchise Agreement or otherwise, and the settlement, compromise or adjustment thereof.
- 3. Continuing Guaranty. This Guarantee constitutes a continuing guarantee of performance of the Guaranteed Obligations and the obligations of Guarantors hereunder are not limited to any particular period of time but shall continue until all of the terms, covenants and conditions of the Franchise Agreement have been fully and completely performed by Franchisee or otherwise discharged by Franchisor, and Guarantors shall not be released from any liability under this Guarantee so long as there is any claim of Franchisor against Franchisee arising out of the Obligations that has not been fully performed, settled or discharged, nor shall this Guarantee be affected by the death, disability or reorganization (whether by way of amalgamation, transfer, sale, lease or otherwise) of Franchisee or any of its directors, officers or shareholders, or any change in any Guarantor's financial condition or in the business or financial condition of Franchisee or any of its directors, members, partners, officers, or shareholders (including by way of insolvency, bankruptcy or receivership).
 - 4. Subrogation. Each Guarantor hereby agrees that it shall not be subrogated to any of the rights of Franchisor until payment in full of the Guaranteed Obligations.
 - 5. Binding Effect of Agreements. Any account settled or stated or any other settlement made between Franchisor and Franchisee, and any determination made per any of the Obligations, which is expressed to be binding upon Franchisee, shall be binding upon Guarantors.
 - 6. Amendment. The terms of this Agreement may be waived, altered, or amended only by an instrument in writing duly executed by Guarantors and Franchisor.
 - 7. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of Franchisor in order to carry out the intentions of the parties here as nearly as may be possible and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.
 - 8. No Waiver. No delay in exercising, any right, power, or remedy hereunder shall operate as a waiver thereof.
 - 9. Expenses. Guarantors will pay all reasonable expenses including legal fees and court costs incurred by Franchisor in connection with the enforcement of this Agreement.

10. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns (provided, however, that Guarantors shall not assign or transfer their rights hereunder without the prior written consent of Franchisor).
11. Independent Advice. Each Guarantor acknowledges that he or she has obtained independent legal advice before signing this Agreement.
12. Governing Law and Dispute Resolution. Each Guarantor also agrees to be bound by the provisions of Section 23 (Dispute Resolution) of the Franchise Agreement as if they were stated here and applicable personally to such Guarantor.

IN WITNESS WHEREOF, Guarantors have signed this Agreement as of the date first above written.

GUARANTOR: _____

Printed Name: _____

GUARANTOR: _____

Printed Name: _____

SCHEDULE C

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEPOSIT)

BY AND BETWEEN JUNK PUNKS FRANCHISING COMPANY LLC AND

("FRANCHISEE") DATED _____.

The undersigned depositor ("DEPOSITOR") hereby authorizes Junk Punks Franchising Company LLC ("COMPANY") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("DEPOSITORY") to debit such account pursuant to COMPANY's instructions.

DEPOSITORY

Branch

Address

City, State and Zip Code

Bank Transit/ABA Number

Account Number

This authority is to remain in full force and effect until DEPOSITORY has received joint written notification from COMPANY and DEPOSITOR of the DEPOSITOR's termination of such authority in such time and in such manner as to afford DEPOSITORY a reasonable opportunity on which to act. If an erroneous debit entry is initiated to DEPOSITOR's account, DEPOSITOR shall have the right to have the amount of such entry credited to such account by DEPOSITORY, if (a) within 15 calendar days following the date on which DEPOSITORY sent to DEPOSITOR a statement of account or a written notice pertaining to such entry or (b) 45 days after posting, whichever occurs first, DEPOSITOR shall have sent to DEPOSITORY a written notice identifying such entry, stating that such entry was in error and requesting DEPOSITORY to credit the amount thereof to such account. These rights are in addition to any rights DEPOSITOR may have under federal and state banking laws.

DEPOSITOR

By: _____

Title: _____

Date: _____

SCHEDULE D

STATE ADDENDA TO THE FRANCHISE AGREEMENT

California – Addendum to the Franchise Agreement

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

1. Section 22.1 of the Franchise Agreement is hereby deleted in its entirety.
2. Sections 23.5 and 23.6 of the Franchise Agreement are hereby amended to add the following sentence at the end of each: “To the extent that these limitations violate the California Franchise Investment Law, the provisions of the California Franchise Investment Law shall control.”
3. A new Section 24.17 of the Franchise Agreement is added and shall state the following: “No disclaimer, questionnaire, clause, or statement signed by a franchisee or prospective 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:

[Entity Name]

By:

Name:

Title:

Date:

FRANCHISOR:

Junk Punks Franchising Company LLC

By:

Name:

Title:

Date:

Illinois – Addendum to the Franchise Agreement

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

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

FRANCHISEE:

[Entity Name]

By:

Name:

Title:

Date:

FRANCHISOR:

Junk Punks Franchising Company LLC

By:

Name:

Title:

Date:

Maryland – Addendum to the Franchise Agreement

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

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

2. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

FRANCHISEE:

[Entity Name]

By:

Name:

Title:

Date:

FRANCHISOR:

Junk Punks Franchising Company LLC

By:

Name:

Title:

Date:

Minnesota – Addendum to the Franchise Agreement

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

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release as a condition of renewal, sale and/or assignment/transfer.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

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

FRANCHISEE:

[Entity Name]

By:

Name:

Title:

Date:

FRANCHISOR:

Junk Punks Franchising Company LLC

By:

Name:

Title:

Date:

North Dakota- Addendum to the Franchise Agreement

Notwithstanding anything to the contrary in the Franchise Agreement, the following provisions shall supersede and apply to all Junk Punks franchises offered and sold in the state of North Dakota.

1. Section 16.5 of the Franchise Agreement requiring you to consent to termination or liquidated damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.
2. Section 19 (Renewal) of the Franchise Agreement is amended to provide that you are not required to sign a general release upon renewal of the franchise agreement.
3. Section 21 (Non-competition) of the Franchise Agreement is amended to also provide as follows:

“Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.”

4. Section 23.11 (Attorneys’ Fees) of the Franchise Agreement is modified to instead provide that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys’ fees.
5. Section 23.2 (Jurisdiction and Venue) is deleted and in its place is substituted the following language:

“Franchisee agrees to bring any claim against Franchisor, including its present and former employees, agents, and Affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

The statute of limitation under North Dakota Law will apply.

Franchisee does not waive its right to a jury trial.”

6. North Dakota law governs any cause of action arising out of the franchise agreement.
7. All other terms and provisions contained in the Franchise Agreement shall remain in full force and effect, except to the extent specifically modified here.

FRANCHISEE:

[Entity Name]

By:

Name:

Title:

Date:

FRANCHISOR:

Junk Punks Franchising Company LLC

By:

Name:

Title:

Date:

Rhode Island- Addendum to the Franchise Agreement

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

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

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

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

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

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

FRANCHISEE:

[Entity Name]

By:

Name:

Title:

Date:

FRANCHISOR:

Junk Punks Franchising Company LLC

By:

Name:

Title:

Date:

Washington- Addendum to the Franchise Agreement

WASHINGTON LAW MODIFICATIONS

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.

<Signatures on Following Page>

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

FRANCHISEE:

[Entity Name]

By:

Name:

Title:

Date:

FRANCHISOR:

Junk Punks Franchising Company LLC

By:

Name:

Title:

Date:

Wisconsin- Addendum to the Franchise Agreement

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

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

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

FRANCHISEE:

[Entity Name]

By:

Name:

Title:

Date:

FRANCHISOR:

Junk Punks Franchising Company LLC

By:

Name:

Title:

Date:

EXHIBIT 4-1

TO THE FRANCHISE DISCLOSURE DOCUMENT

SECURED PROMISSORY NOTE

SECURED PROMISSORY NOTE

\$ _____

[CITY], [STATE]

Effective Date: _____

FOR VALUE RECEIVED, _____, a(n) _____ (the “**Borrower**”) hereby unconditionally promises to pay to the order of Junk Punks Franchising Company LLC, a Florida limited liability company (the “**Noteholder**”) the principal amount of \$ _____ (the “**Loan**”), together with all accrued interest thereon, as provided in this Secured Promissory Note (this “**Note**”).

1. Payment Dates.

(a) Payment Dates. The principal amount of the Loan shall be payable in [12/24] equal consecutive monthly installments of \$ _____ beginning on the first day of the first full month following the Effective Date and on the same day of every month (each such day a “**Payment Date**”) thereafter until the [one- / two-]year anniversary of the Effective Date (the “**Maturity Date**”). On the Maturity Date, all amounts then outstanding under this Note, including principal, accrued and unpaid interest, and any unpaid fees, shall be due and payable.

(b) Prepayment. The Borrower may prepay the Loan in whole or in part at any time or from time to time without penalty or premium by paying the principal amount to be prepaid together with accrued interest thereon to the date of the prepayment.

(c) No Reborrowing. Principal amounts repaid or prepaid may not be reborrowed.

2. Interest.

(a) Interest Rate. Except as provided in Section 2(c), the principal amount outstanding under this Note from time to time shall bear interest at a rate per annum (the “**Interest Rate**”) equal to [0%/10%].

(b) Interest Payment Dates. Interest shall be payable monthly in arrears on each Payment Date.

(c) Default Interest. If any amount payable hereunder is not paid when due (without regard to any applicable grace period), whether at stated maturity, by acceleration, or otherwise, such overdue amount shall bear interest at the Interest Rate plus 10% (the “**Default Rate**”).

(d) Computation of Interest. All computations of interest hereunder shall be made on the basis of a year of 365/366 days, as the case may be, and the actual number of days elapsed. Interest shall begin to accrue on the Loan on the date of this Note. For any portion of the Loan that is repaid, interest shall not accrue on the date on which such payment is made.

(e) Interest Rate Limitation. If at any time the Interest Rate payable on the Loan shall exceed the maximum rate of interest permitted under applicable law, such Interest Rate shall be reduced automatically to the maximum rate permitted.

3. Payment Mechanics.

(a) Manner of Payment. All payments of principal and interest shall be made in US dollars no later than 12:00 PM on the date on which such payment is due. Such payments shall be made by cashier’s check, certified check, or wire transfer of immediately available funds to the Noteholder’s account at a bank specified by the Noteholder in writing to the Borrower from time to time.

(b) Application of Payments. All payments shall be applied, *first*, to fees or charges outstanding under this Note, *second*, to accrued interest, and, *third*, to principal outstanding under this Note.

(c) Business Day. Whenever any payment hereunder is due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day, and interest shall be calculated to include such extension. “**Business Day**” means a day other than Saturday, Sunday, or other day on which commercial banks in Tampa, FL are authorized or required by law to close.

4. Security Interest. This Note is secured by that certain Security Agreement of even date herewith, executed by Borrower in favor of Noteholder (the “**Security Agreement**”).

5. Events of Default. The occurrence and continuance of any of the following shall constitute an “**Event of Default**” hereunder:

(a) Failure to Pay. The Borrower fails to pay any principal, interest or other amount due under this Note within five (5) days after the date such amount is due.

(b) Bankruptcy; Insolvency. (i) The Borrower institutes a voluntary case seeking relief under any law relating to bankruptcy, insolvency, reorganization, or other relief for debtors; (ii) An involuntary case is commenced seeking the liquidation or reorganization of the Borrower under any law relating to bankruptcy or insolvency, and such case is not dismissed or vacated within sixty (60) days of its filing; (iii) The Borrower makes a general assignment for the benefit of its creditors; (iv) The Borrower is unable, or admits in writing its inability, to pay its debts as they become due; (v) A case is commenced against the Borrower or its assets seeking attachment, execution, or similar process against all or a substantial part of its assets, and such case is not dismissed or vacated within sixty (60) days of its filing.

(c) Breach of Agreements. The Borrower materially defaults under the Franchise Agreement between Borrower (as Franchisee thereunder) and Noteholder (as Franchisor thereunder) dated of even date herewith (the “**Franchise Agreement**”), the Security Agreement, or any other agreement between Borrower (or Borrower’s affiliates) and Noteholder (or Noteholder’s affiliates).

6. Remedies. Upon the occurrence and during the continuance of an Event of Default, the Noteholder may, at its option, by written notice to the Borrower declare the outstanding principal amount of the Loan, accrued and unpaid interest thereon, and all other amounts payable hereunder immediately due and payable; *provided, however*, if an Event of Default described in Sections 4(b)(i), 4(b)(iii), or 4(b)(iv) shall occur, the outstanding principal amount, accrued and unpaid interest, and all other amounts payable hereunder shall become immediately due and payable without notice, declaration, or other act on the part of the Noteholder.

7. Waivers. Borrower, its successors and assigns, and all other endorsers and guarantors of this Note waive any defense by reason of any extension of time for reason of nonpayment. Borrower, its successors and assigns, and all endorsers and guarantors of this Note waive demand, presentment, notice of non-payment, dishonor and protest.

8. Expenses and Attorneys’ Fees. In case suit is brought for the collection of this Note, or if it is necessary to place the same in the hands of an attorney for collection, Borrower and all endorsers and guarantors of this Note agree to pay reasonable attorneys’ fees for making such collection, including all fees and costs incident to any appellate, post-judgment, and bankruptcy proceedings that may result, whether the holder of this note is obligated thereof or not.

9. Negotiability. This Note is fully negotiable by Noteholder.

10. Consideration. Borrower acknowledges and agrees that this Note has been signed and delivered to Noteholder in exchange for valuable consideration. The valuable consideration relates to amounts that are due and owing to Noteholder, without any defense or setoff.

11. Notices. All notices required or permitted under this Note will be in writing and will be given by one of the following methods of delivery: (i) personally; (ii) by certified or registered mail, postage prepaid; or (iii) by overnight delivery service. Notices must be sent to:

(a) If to the Borrower:

Attention:

E-mail: _____

(b) If to the Noteholder:

Junk Punks Franchising Company LLC

8800 49th Street N, Suite 203

Pinellas Park, FL 33782

Attn: Logan Sullivan, Manager

Either party may change its mailing address by giving notice to the other party. Notices will be deemed received the same day when delivered personally or upon attempted delivery when sent by registered or certified mail or overnight delivery service. All routine requests for approval related to day-to-day operations (and communications related to such requests) must be in writing, but may be communicated via e-mail to the addresses provided by such other party.

12. Governing Law. This Note and any claim, controversy, dispute, or cause of action (whether in contract, tort, or otherwise) based on, arising out of, or relating to this Note and the transactions contemplated hereby shall be governed by and construed in accordance with the laws of the State of Florida.

13. Disputes.

(a) Submission to Jurisdiction. The Borrower irrevocably and unconditionally (A) agrees that any action, suit, or proceeding arising from or relating to this Note may be brought in the courts of the State of Florida sitting in Pinellas County, and in the United States District Court for the Middle District of Florida, and (B) submits to the exclusive jurisdiction of such courts in any such action, suit, or proceeding. Final judgment against the Borrower in any such action, suit, or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 9(a) shall affect the right of the Noteholder to bring any action, suit, or proceeding relating to this Note against the Borrower or its properties in the courts of any other jurisdiction. Nothing in this Section 9(a) shall affect the right of the Noteholder to serve process upon the Borrower in any manner authorized by the laws of any such jurisdiction.

(b) Venue. The Borrower irrevocably and unconditionally waives, to the fullest extent permitted by law, (i) any objection that it may now or hereafter have to the laying of venue in any action, suit, or proceeding relating to this Note in any court referred to in [Section 9\(a\)](#), and (ii) the defense of inconvenient forum to the maintenance of such action, suit, or proceeding in any such court.

(c) Waiver of Jury Trial. THE BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY.

14. Successors and Assigns; Nonassumability. This Note may be assigned or transferred by the Noteholder to any individual, corporation, company, limited liability company, trust, joint venture, association, partnership, unincorporated organization, governmental authority, or other entity. This Note is not assumable without Noteholder's prior written consent. Such assumption may be granted at Noteholder's sole discretion and may be denied without regard to a showing of an impairment of Noteholder's security or an evaluation of the creditworthiness of the proposed assuming party and regardless of whether Noteholder consents to a transfer of the Franchise Agreement.

15. Integration. This Note constitutes the entire contract between the Borrower and the Noteholder with respect to the subject matter hereof and supersedes all previous agreements and understandings, oral or written, with respect thereto.

16. No Waiver; Amendment; Cumulative Remedies. No failure by the Noteholder to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power. The rights, remedies, and powers herein provided are cumulative and not exclusive of any other rights, remedies, or powers provided by law. No term of this Note may be waived, modified, or amended, except by an instrument in writing signed by the Borrower and the Noteholder. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

17. Severability. If any term or provision of this Note is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Note or render such term or provision invalid or unenforceable in any other jurisdiction.

18. Counterparts. This Note and any amendments, waivers, consents, or supplements hereto may be executed in counterparts, each of which shall constitute an original, but all of which taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Note by facsimile or in electronic ("pdf" or "tif" or any other electronic means that reproduces an image of the actual executed signature page) format shall be as effective as delivery of a manually executed counterpart of this Note.

19. Electronic Execution. The words "execution," "signed," "signature," and words of similar import in this Note shall be deemed to include electronic and digital signatures and the keeping of records in electronic form, each of which shall be of the same effect, validity, and enforceability as manually executed signatures and paper-based recordkeeping systems, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act

(15 U.S.C. §§ 7001-7031), the Uniform Electronic Transactions Act (UETA), or any state law based on the UETA, including the New York Electronic Signatures and Records Act (N.Y. State Tech. §§ 301 to 309).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Borrower has executed this Note as of the Effective Date.

BORROWER:

_____,
a(n) _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGED AND ACCEPTED BY:

NOTEHOLDER:

Junk Punks Franchising Company LLC,
a Florida limited liability company

By: _____

Name: _____

Title: _____

The undersigned does hereby unconditionally guaranty the prompt and complete payment of all principal and interest required of Borrower under this Note. The obligation of Guarantor shall be considered primary and unconditional and shall not require the exhaustion of remedies against Borrower under this Note.

GUARANTOR:

By: _____

_____, individually

EXHIBIT 4-2
TO THE FRANCHISE DISCLOSURE DOCUMENT

SECURITY AGREEMENT

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this “**Agreement**”) is made and entered into as of _____ by and among **Junk Punks Franchising Company LLC**, a Florida limited liability (“**Secured Party**”), and _____, a(n) _____ (“**Debtor**”).

A. Secured Party is providing financing to Debtor in the amount of \$_____ (the “**Franchise Fee**”), representing all or a portion of the initial franchise fee due under that certain Franchise Agreement dated _____ (the “**Franchise Agreement**”) between Secured Party, as franchisor, and Debtor, as franchisee, and/or the cost of equipment furnished by Secured Party to Debtor. All capitalized terms not defined herein shall have the same meaning as contained in the Franchise Agreement.

B. Debtor is granting to Secured Party a security interest in the Collateral (as defined below) in order to secure Debtor’s unconditional obligation to pay the Franchise Fee to Secured Party.

ACCORDINGLY, for good and valuable consideration, the parties hereby agree as follows:

1. **Security Interest.** In order to secure payment and performance in full of the obligation of Debtor for (i) payment of the Franchise Fee and all other obligations of Debtor to Secured Party, arising, under or in respect of the Franchise Agreement and this Agreement, including but not limited to any extensions, modifications, substitutions, increases or renewals thereof; (ii) payment of all amounts advanced or incurred by Secured Party to preserve, protect, defend, and enforce its rights under this Agreement, the Franchise Agreement, and with respect to the Collateral; and (iii) payment of all fees, costs and expenses incurred by Secured Party in connection therewith (the “**Obligations**”), Debtor hereby grants to Secured Party a continuing, valid, and unavoidable security interest in and lien on, all of Debtor’s right, title, and interest in and to all of the following property, wherever located, whether now owned or hereafter acquired or arising (collectively, the “**Collateral**”):

All furniture, fixtures, equipment, accessories, inventory, licenses, permits, goods, materials, supplies, accounts, general intangibles, and all other assets, including, without limitation, the equipment and customer contracts, used in the operation of the Junk Punks® Business located at _____; all additions, attachments, accessories, accessions, parts, fittings, and special tools now and hereafter affixed thereto and/or used in connection therewith, and all replacements thereof, and all substitutions and exchanges therefor; and all proceeds, including all cash proceeds and all noncash proceeds, including without limitation, proceeds of any and all insurance covering any of the foregoing, and all products of any and all of the foregoing.

2. **Representations; Warranties.** Debtor represents and warrants to Secured Party as follows: Debtor has good title to the Collateral, free from any right or claim of any security interest, lien, claim or encumbrance (collectively, a “**Lien**”), except for the permitted Liens listed in Exhibit A. Debtor has full corporate power and authority to enter into, execute, and deliver this Agreement and to perform its obligations under this Agreement, and to incur and perform the Obligations, all of which have been duly authorized by all necessary corporate action. This Agreement constitutes the valid and legally binding obligation of Debtor, enforceable against it in accordance with its terms. Bankruptcy proceedings have not been commenced by or against Debtor under any federal bankruptcy law or other federal or state law.

3. **Insurance.** Debtor shall at all times bear the entire risk of any loss, theft, damage to, or destruction of, any of the Collateral from any cause whatsoever. Debtor shall keep the Collateral insured against loss or damage by fire and extended coverage perils, theft, burglary, and against all such other risks, casualties, and contingencies as Secured Party may reasonably require. Such insurance shall be payable to Secured Party as loss payee under a standard loss payee clause.

4. **Notices.** Debtor shall provide Secured Party at least 30 days' written notice prior to (i) any change in Debtor's name; (ii) any change in the jurisdiction of incorporation or organization of Debtor; or (iii) any of the Collateral being lost, stolen, missing, destroyed, materially damaged, or worn out.

5. **Authorization to File Financing Statements.** Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements, including a UCC financing statement substantially in the form attached as Exhibit B, and amendments thereto that (i) describe the Collateral; and/or (ii) provide any other information required by Article 9 of the Uniform Commercial Code of the State of Florida or such other jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment. Debtor agrees to furnish such information to Secured Party promptly upon Secured Party's request.

6. **Events of Default.** Each of the following shall constitute an event of default ("**Event of Default**") under this Agreement:

6.1 Failure by Debtor to make payment of any amount of the Obligations when due and to correct such failure within 5 days after receiving written notice thereof;

6.2 Failure by Debtor to duly perform or observe any other term, covenant or agreement contained in this Agreement, which failure shall have continued unremedied for a period of 10 days after written notice thereof from Secured Party to Debtor;

6.3 Any representation or warranty made by Debtor in this Agreement, any financial statement, or any statement or representation made in any other report or other document delivered in connection with this Agreement or the Franchise Agreement proves to have been incorrect or misleading in any material respect when made;

6.4 Debtor makes an assignment for the benefit of creditors, offers a composition or extension to creditors, or makes or sends notice of an intended bulk sale of any of the Collateral;

6.5 Debtor (i) files a petition in bankruptcy, (ii) is adjudicated insolvent or bankrupt, petitions or applies to any tribunal for any receiver of or any trustee for itself, any of the Collateral, or any substantial part of its property, (iii) commences any proceeding relating to itself under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or any such proceeding is commenced against Debtor, including but not limited to, the filing of an involuntary petition against Debtor under the United States Bankruptcy Code, (iv) by any act indicates its consent to, approval of, or acquiescence in, any such proceeding or the appointment of any receiver of or any trustee for Debtor or any substantial part of its property, or (v) admits in writing its inability to pay its debts as they become due;

6.6 Debtor, or any other affiliate of Debtor, shall challenge or contest, in any action, suit or proceeding, the validity or enforceability of this Agreement, or any related documents, the legality or the enforceability of any of the Obligations or the perfection or priority of any Lien granted to Secured Party; or

6.7 There shall be any material adverse change in the financial condition of Debtor or any other event shall occur that, as determined by Secured Party in good faith, materially impairs the ability of the Debtor to pay the Obligations.

7. **Remedies Upon Event of Default.** Upon the occurrence of any Event of Default, the Obligations under the Note shall become immediately due and payable upon declaration to that effect delivered by Secured Party to Debtor; provided, however, that upon the happening of any event specified in Section 6.5 above, the Note shall be immediately due and payable without declaration or other notice to Debtor. Upon the occurrence of and during the continuance of an Event of Default under this Agreement, Secured Party, in addition to all other rights, options, and remedies granted to Secured Party under this Agreement, shall have all rights, options and remedies available to it under the Uniform Commercial Code, as adopted under the internal laws of the State of Florida from time to time, at law, or in equity. Debtor agrees that a notice received by it at least 5 days before the time of any intended public sale, or the time after which any private sale or other disposition of the Collateral or any portion thereof is to be made, shall be deemed to be reasonable notice of such sale or other disposition.

8. **Nature of Remedies.** All rights and remedies granted Secured Party under this Agreement and under any other related documents, or otherwise available at law or in equity, shall be deemed concurrent and cumulative.

9. **General.**

9.1 **Amendment.** This Agreement can be waived, amended, terminated or discharged, and the security interest and Liens of Secured Party can be released, only explicitly in a writing signed by Secured Party, and, in the case of amendment, in a writing signed by Debtor and Secured Party. A waiver signed by Secured Party shall be effective only in the specific instance and for the specific purpose given.

9.2 **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective successors and assigns (except that Debtor may not assign its obligations under or rights in this Agreement without the prior written consent of Secured Party, which consent may be withheld in Secured Party's sole discretion) and shall take effect when signed by Debtor and delivered to Secured Party, and Debtor waives notice of Secured Party's acceptance of this Agreement.

9.3 **Venue.** The Debtor agrees that Pinellas County, FL, is the proper venue for any and all legal proceedings arising out of this Agreement.

9.4 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to choice of law principles.

9.5 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but which counterparts together shall constitute but one and the same instrument. Facsimile or other electronically-imaged signatures shall constitute binding and original signatures for all purposes.

9.6 **Notice.** All notices required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery: (i) personally; (ii) by certified or registered mail, postage prepaid; or (iii) by overnight delivery service, and addressed to the relevant party at its address set forth on the signature page of this Agreement. Either party may change its mailing address by giving notice to the other party. Notices will be deemed received the same day when delivered personally or upon attempted delivery when sent by registered or certified mail or overnight delivery service. All routine

requests for approval related to day-to-day operations (and communications related to such requests) must be in writing, but may be communicated via e-mail to the addresses provided by such other party.

10. **Waiver of Jury Trial.** DEBTOR HEREBY UNCONDITIONALLY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT, OR ANY RELATED DOCUMENTS.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

“SECURED PARTY”

Junk Punks Franchising Company LLC,
a Florida limited liability company

By: _____
Name: _____
Title: _____

Address for notices:

8800 49th Street N, Suite 203
Pinellas Park, FL 33782
Attn: Logan Sullivan, Manager

“DEBTOR”

_____,
a(n) _____

By: _____
Name: _____
Title: _____

Address for notices:

The undersigned does hereby unconditionally guaranty the prompt and complete performance of all obligations of Debtor under this Agreement. The obligation of Guarantor shall be considered primary and unconditional and shall not require the exhaustion of remedies against Debtor under this Agreement.

GUARANTOR:

By: _____
_____, individually

EXHIBIT A TO SECURITY AGREEMENT
PERMITTED LIENS

EXHIBIT B TO SECURITY AGREEMENT

UCC-1 FINANCING STATEMENT

(Attached)

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME					
OR	1b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME					
OR	3b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

4. COLLATERAL: This financing statement covers the following collateral:

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

FILING OFFICE COPY — UCC FINANCING STATEMENT (Form UCC1) (Rev. 04/20/11)

EXHIBIT 5
TO THE FRANCHISE DISCLOSURE DOCUMENT
GENERAL RELEASE

THIS GENERAL RELEASE (“Release”) is executed as of _____ (“Effective Date”) by _____ (“Franchisee”) and _____ (“Owners”).

1. Release of Franchisor and Related Parties.

A. Release. Franchisee and Owners, each on behalf of himself/herself/itself, and as applicable, each of its present and past affiliates and his/her/its present and past owners, investors, guarantors, shareholders, members, directors, officers, employees, contractors, agents, and legal representatives, and the predecessors, successors, heirs, executors, administrators, and assigns of the foregoing in their corporate and individual capacities (collectively, “Releasors”), freely and without any influence, forever release and covenant not to sue Junk Punks Franchising Company LLC (“Franchisor”), and its past, present, and future direct or indirect parent organizations, subsidiaries, divisions, affiliated entities and its and their shareholders, contractors, agents, legal representatives, owners, members, partners, officers, directors, trustees, administrators, fiduciaries, employment benefit plans and/or pension plans or funds, executors, attorneys, employees, insurers, reinsurers, and/or agents and their successors and assigns, individually and in their official capacities (collectively, “Releasees”), from any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively “Claims”), that any Releasor now owns, has or claims to have or holds, or may in the future own or hold, or at any prior time owned, held, had or claimed to have, based on, arising out of or relating to, in whole or in part any fact, event, conduct or omission occurring on or before the Effective Date, including, without limitation, Claims arising under federal, state and local laws, rules and ordinances, Claims for contribution, indemnity and/or subrogation and Claims arising out of or relating to any agreement between any Releasee and any Releasor (“Related Agreement”), the sale of franchises by any Releasee to any Releasor, the development and operation of a Franchised Business by any Releasor and/or Releasees’ performance of their obligations under any Related Agreement.

Franchisee and Owners (on behalf of Releasors) agree that fair consideration has been given by Franchisor for this release and fully understand that this is a negotiated, complete and final release of all of Releasors’ Claims. Franchisee and Owners (on behalf of Releasors) also expressly agree that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived. That Section reads as follows: “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.”

B. Risk of Changed Facts. Franchisee and Owners (on behalf of themselves and on behalf of the Releasors): (i) understand that Franchisee, Owners or Releasors may have some Claims against the Releasees of which they are totally unaware and unsuspecting, which they are giving up by executing this release; (ii) understand that the facts in respect of which the release is given may turn out to be different from the facts now known or believed by them to be true; and (iii) hereby accept and assume the risk of the facts turning out to be different and agree that the release will nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in fact.

C. No Prior Assignment. Franchisee and Owners (on behalf of themselves and on behalf of the Releasors) represent and warrant that no claims by the Releasors against any of the Releasees have been assigned to any third party.

D. Covenant Not to Sue. Franchisee and Owners (on behalf of themselves and on behalf of the Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any of the Releasees with respect to any Claim released.

E. Complete Defense. Franchisee and Owners (on behalf of themselves and on behalf of the Releasors) acknowledge that this release will be a complete defense to any claim released and consent to the entry of a temporary or permanent injunction to end the assertion of any such claim.

2. Successors and Assigns. This Release will inure to the benefit of and bind the successors, assigns, heirs, and personal representatives of the Released Parties and each Releasing Party.

3. Counterparts. This Release may be executed in two or more counterparts (including by facsimile), each of which will be deemed an original, and all of which will constitute one and the same instrument.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, Franchisee and Owners have executed this Release as of the date shown above.

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Date: _____

OWNER:

Print Name: _____

Date: _____

OWNER:

Print Name: _____

Date: _____

EXHIBIT 6
TO THE FRANCHISE DISCLOSURE DOCUMENT
LIST OF CURRENT FRANCHISEES AS OF DECEMBER 31, 2025

None.

EXHIBIT 7
TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF FORMER FRANCHISEES AS OF DECEMBER 31, 2025

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

None.

EXHIBIT 8
TO THE FRANCHISE DISCLOSURE DOCUMENT

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EXHIBIT 9
TO THE FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

**JUNK PUNKS FRANCHISING COMPANY LLC
FINANCIAL STATEMENTS
FEBRUARY 1, 2026**

JUNK PUNKS FRANCHISING COMPANY LLC
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MUHAMMAD ZUBAIRY, CPA PC

Certified Public Accountant

646.327.7013

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Junk Punks Franchising Company LLC**

Opinion

We have audited the balance statement of Junk Punks Franchising Company LLC, as of February 1, 2026 (inception), and the related notes to the financial statement.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Junk Punks Franchising Company LLC, as of February 1, 2026, 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 Junk Punks Franchising Company LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Junk Punks Franchising Company LLC'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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

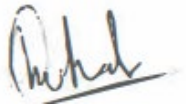
Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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 Junk Punks Franchising Company LLC's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Junk Punks Franchising Company LLC's ability to continue as a going concern for a reasonable period of time.

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

A handwritten signature in blue ink, appearing to read 'Muhammad', with a horizontal line underneath.

Muhammad Zubairy, CPA PC
Westbury, NY
June 26, 2026

JUNK PUNKS FRANCHISING COMPANY LLC
BALANCE SHEET
FEBRUARY 1, 2026

<u>ASSETS</u>	
Cash	<u>\$ 100</u>
Total Assets	<u>\$ 100</u>
<u>MEMBERS' EQUITY</u>	
Current Liabilities	<u>\$ —</u>
Members' Equity	<u>100</u>
Members' Equity	<u>\$ 100</u>

See notes to financial statements

JUNK PUNKS FRANCHISING COMPANY LLC

NOTES TO FINANCIAL STATEMENTS

1. THE COMPANY

Junk Punks Franchising Company LLC is a Florida limited liability company formed in January 7, 2026 to offer franchisees an opportunity to own and operate junk removal business under the trademark Junk Punks.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate franchise, for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of \$250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Taxes on Income- The Company's entity was organized as a limited liability company. Accordingly, under the internal revenue code, all taxable income or loss flows through to its member. Therefore, no income tax expense or liability is recorded in the accompanying financial statements.

3. REVENUE RECOGNITION

The Company will record revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations will be recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation will be amortized over the life of the related franchise agreements. Commissions paid for franchises will be amortized over the life of the franchise agreement.

4. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through June 26, 2026, the date the financial statements were available to be issued.

EXHIBIT 10
TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

The Franchisee Disclosure Acknowledgement Statement is not applicable in the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

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

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

- Yes___ No___ 10. Do you agree that no employee or other person speaking on our behalf has made any statement, promise, or agreement, that is contrary to or different from what is stated in the Franchise Disclosure Document and Franchise Agreement?
- Yes___ No___ 11. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue you will generate, that is not contained in Item 19 of the Franchise Disclosure Document or that is contrary to, or different from, the information contained in Item 19 of the Franchise Disclosure Document?
- Yes___ No___ 12. Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning this franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?
- Yes___ No___ 13. Do you understand that the COVID-19 pandemic may cause significant disruptions in customer demand; the supply chain for supplies, equipment, vehicles, and services; employee availability; and other aspects of operating your Franchised Business for an indeterminate period, which may affect your sales and operating costs in a material way?

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

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

Name of Applicant (please print)

Signature

Date: _____

Explanation of any negative responses (Refer to Question Number and attached additional pages if needed):

EXHIBIT 11
TO THE FRANCHISE DISCLOSURE DOCUMENT

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	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Pending
Rhode Island	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**ITEM 23
RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Junk Punks Franchising Company LLC (“**Junk Punks**”) offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement with, or make a payment to, Junk Punks or one of its affiliates in connection with the proposed franchise sale. Iowa requires that Junk Punks provide you with this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make payment to, us or one of our affiliates in connection with the proposed sale. Michigan requires that Junk Punks provide you with this Disclosure Document ten business days before you sign a binding agreement with, or make payment to, Junk Punks or one of its affiliates in connection with the proposed sale. New York requires that Junk Punks provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a binding agreement with, or make payment to, Junk Punks or one of its affiliates in connection with the proposed sale.

If Junk Punks does not deliver this disclosure statement on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit 1.

This franchise is being offered by the following sellers at the principal business address and phone number listed below (check all that have been involved in the sales process):

Sellers at Junk Punks Franchising Company LLC, 8800 49th Street N, Suite 203, Pinellas Park, FL 33782:	
Logan Sullivan 262-443-4513	Ryder Radke 608-295-4573

Junk Punks’ registered agents authorized to receive service of process are set forth on Exhibit 1.

Issuance Date: February 6, 2026, amended April 1, 2026 and June 26, 2026

I have received a Disclosure Document dated February 6, 2026, amended April 1, 2026 and June 26, 2026, that included the following exhibits: 1. State Administrators and Agents for Service of Process; 2. State Addenda to the Disclosure Document; 3. Franchise Agreement; 4-1. Promissory Note; 4-2. Security Agreement; 5. Release; 6. List of Franchisees; 7. List of Former Franchisees; 8. Table of Contents of Operations Manual; 9. Financial Statements; 10. Franchisee Disclosure Acknowledgement Statement; and 11. State Effective Dates.

Signature (individually and as an officer)

Date Disclosure Document Received

Print Name

PLEASE KEEP FOR YOUR RECORDS

Print Franchisee’s Name (if an Entity)

**ITEM 23
RECEIPT**

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If Junk Punks Franchising Company LLC (“**Junk Punks**”) offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement with, or make a payment to, Junk Punks or one of its affiliates in connection with the proposed franchise sale. Iowa requires that Junk Punks provide you with this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make payment to, us or one of our affiliates in connection with the proposed sale. Michigan requires that Junk Punks provide you with this Disclosure Document ten business days before you sign a binding agreement with, or make payment to, Junk Punks or one of its affiliates in connection with the proposed sale. New York requires that Junk Punks provide you with this Disclosure Document at the earlier of the first personal meeting or ten business days before you sign a binding agreement with, or make payment to, Junk Punks or one of its affiliates in connection with the proposed sale.

If Junk Punks does not deliver this disclosure statement on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit 1.

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Signature (individually and as an officer)

Date Disclosure Document Received

Print Name

Print Franchisee’s Name (if an Entity)

TO BE RETURNED TO:
Junk Punks Franchising Company LLC
8800 49th Street N, Suite 203
Pinellas Park, FL 33782