FRANCHISE DISCLOSURE DOCUMENT

Junk Start Franchise, LLC
a Texas limited liability company
Tel: (210) 910 - JUNK (5865)
126 E. Turbo Drive
San Antonio, Texas 78216
www.junkstart.com

We offer franchises for the operation of a business that offers and provides residential and commercial junk removal/clearing services under our proprietary marks, including our primary mark JunkStart.

The total investment necessary to begin operation of a JunkStart Franchised Business is $134,464 to $335,565. This includes $65,000 to $110,000 that must be paid to us or our affiliate.

We may, in our discretion, also offer qualified individuals the right to open and operate a JunkStart franchised business in multiple designated territories (a minimum of 2).

The total investment necessary to commence operations in multiple territories will vary based on the number of territories in which we grant you the right to operate. By way of example, the total initial investment necessary to operate in two (2) territories is $225,464 to $557,680. This includes $116,000 to $211,000 that must be paid to us or our affiliate, as well as the total initial investment to open and commence operations of your franchised business within your initial designated territory.

The total investment necessary to commence operations in multiple territories will vary based on the number of territories in which we grant you the right to operate. By way of example, the total initial investment necessary to operate in three (3) territories is $303,478 to $768,296. This includes $170,500 to $310,500 that must be paid to us or our affiliate, as well as the total initial investment to open and commence operations of your franchised business within your initial designated territory.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Daniel McCarty at 126 E. Turbo Drive, San Antonio, Texas 78216 and (210) 910-5865.

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

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

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

Issuance Date: April 24, 2026, as amended July 29, 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 H.
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 discretion. 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 D include 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 JunkStart 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 franchise 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 JunkStart franchisee?	Item 20 or Exhibit H 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 to 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 state 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 F.

Your state may also 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 us by mediation or litigation only in Texas. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate or litigate with us in Texas than in your own state.

2. Spousal Liability. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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.

JUNK START FRANCHISE, LLC
MICHIGAN ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES FOUND 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 release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(C) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(D) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are subject to compensation. This subsection applies only if: (1) the term of the franchise is less than 5 years and (2) the franchisees is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of the 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:

(1) the failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(2) the fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

(4) 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 require 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 bond 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 provision of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE ADDRESSED TO:
DEPARTMENT OF ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION
670 LAW BUILDING, 525 W. OTTAWA STREET LANSING,
MICHIGAN 48913
Telephone (517) 373-7117

TABLE OF CONTENTS

EXHIBITS

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

The Franchisor is Junk Start Franchise, LLC. This Disclosure Document will refer to Junk Start Franchise, LLC as "we," "us" "our" and "JunkStart." The words "you" and "your" refer to the franchisee. If you are a corporation, limited liability company or other business entity, certain provisions of our franchise agreement (attached as Exhibit A, the "Franchise Agreement") also apply to your owners and will be noted.

The Franchisor

We are a Texas limited liability company formed on May 15, 2025. We do business under our corporate name and under the name "JunkStart". Our principal business address is 126 E. Turbo Drive, San Antonio, Texas 78216. Our telephone number is (210) 910-5865 and our website is www.junkstart.com (the "Website").

Our agents for service of process are listed in Exhibit F. We do not operate a business substantially similar to the franchise being offered. We have not conducted business in any other line of business or offered franchises in any other line of business. We first began offering franchises as of the issuance date of this disclosure document.

Our Parents, Predecessors and any Affiliates

We do not have any predecessors.

Our parent company is Junk Start Holdings, LLC ("JSH"), a Texas limited liability company formed in May 2025 with a business address at 126 E. Turbo Drive, San Antonio, Texas 78216. JSH has not offered franchises in this or any line of business.

Our affiliate, Junk Start, LLC ("TX Affiliate"), is a Texas limited liability company formed in November 2022 with a business address at 126 E. Turbo Drive, San Antonio, Texas 78216. TX Affiliate owns and operates one (1) business of the type offered under this disclosure document, which first opened in January 2023. The TX Affiliate has not offered franchises in this or any other line of business.

Our affiliate, Junk Start Equipment, LLC ("JSE"), is a Texas limited liability company formed in September 2025 with a business address at 126 E. Turbo Drive, San Antonio, Texas 78216. JSE is currently our sole approved supplier for the Vehicle Upfit and Decal Package you must purchase for the vehicles you will use in connection with the operation of the Franchised Business. JSE will also lease the Vehicle On-Board Weighing System to you. JSE has not offered franchises in this or any other line of business.

Our affiliate, Junk Start IP, LLC ("JSIP") is a Texas limited liability company formed in May 2025 with a business address at 126 E. Turbo Drive, San Antonio, Texas 78216. JSIP owns our proprietary Marks and licenses them to us for our use, as well as sub-licensing to our System franchisees. JSIP has not offered franchises in this or any other line of business.

Except as disclosed above, we have no other parents, predecessors, and affiliates that require disclosure in this Item.

The Franchised Business; Franchisor's Other Business Activities

The franchised business you will operate is a junk removal business servicing residential homes and commercial clients under our proprietary marks, including our primary mark “JunkStart” (the "Franchised Business").

Franchised Businesses offer a variety of services to the public, including (a) moving-related and estate cleanouts, (b) furniture removal, (c) home renovation debris removal, (d) storage unit cleanouts (e) safe and eco-friendly electronics disposal, and (f) comprehensive commercial junk hauling and removal services for businesses and commercial properties of all sizes. Unlike other junk removal businesses, JunkStart Franchised Businesses offer customers innovative “pay-by-weight” pricing, supported by state-of-the-art scales installed onboard the business’s vehicles to eliminate guesswork and unfair pricing surprises for customers.

The franchised business is established and operated under our unique system of business operations (the “System”). The System is identified by means of certain trademarks, trade names, service marks, logos, emblems and indicia of origin, including but not limited to the mark "JunkStart" and such other names and marks we now or in the future may designate in writing for use in connection with the System (the "Marks"). The System is also identified by means of certain distinctive, identifiable trade-dress; uniform standards of operation, quality and uniformity of products and services; procedures for inventory, management and financial control; training and assistance; centralized Revenue Center; proprietary software; and advertising and promotional programs. We own or license all of the proprietary marks and the proprietary information comprising the System.

You will operate your Franchised Business using trucks that meet our specifications. You must purchase or lease a minimum of one truck per Territory. We recommend that you park your trucks in a parking spot on a street, or in a lot or garage in a highly visible and trafficked area.

We offer franchises to qualified individuals, corporations, limited liability companies, partnerships or other legal entities. You must sign our form of Franchise Agreement, which is attached as Exhibit A. If you wish to purchase additional franchises, you must sign our then-current form of Franchise Agreement for any additional franchise. The terms of any then-current Franchise Agreement may differ from the franchise offered under this Disclosure Document.

Territory; Multi-Territory Operation

We may, as we deem appropriate in our discretion, offer qualified parties the right to operate the Franchised Business in multiple Territories (each Territory comprised of five (5) subterritories). Prior to commencing operations in each of the Territories in which you are granted the right to operate the Franchised Business, you must (i) enter into a separate Franchise Agreement for each Territory in which you will operate the Franchised Business, (ii) pay the applicable Initial Franchise Fee (see Item 5) and (iii) complete all pre-opening obligations under the Franchise

Agreements for your Territories, including attending and completing the Initial Training Program.

If you operate in multiple contiguous Territories, then you are only required to obtain one approved location. If you operate in multiple Territories that are noncontiguous, then we may require you to secure additional approved locations. However, our standard offering assumes that if you purchase multiple Territories, such Territories will be contiguous.

You must secure at least one (1) vehicle in order to open the Franchised Business in one (1) Territory. If you wish to commence operations of your Franchised Business in two (2) or more Territories simultaneously, you must secure a minimum of one (1) vehicle per Territory prior to commencing operations in the Territories.

If you operate in one (1) Territory, you must have one (1) approved vehicle. If you operate in two (2) Territories, you are ultimately required to have two (2) approved vehicles; however, we may allow you to begin operations with one (1) approved vehicle and add the second in accordance with a vehicle development schedule. If you operate in three (3) Territories, you must have at least three (3) approved vehicles; however, with our consent, you may begin operations with two (2) approved vehicles and add the third in accordance with the vehicle development schedule. If you purchase multiple Territories, you may begin marketing, selling, and performing jobs in all approved Territories upon opening, subject to the Franchise Agreement, any applicable Multi-Territory Addendum, the Operations Manual, and any approved launch plan.

General Description of the Market and Competition

Your typical customers will include residential homeowners and commercial property managers, contractors, realtors and other commercial businesses. Your competition will include local, regional and national businesses offering similar services, some of which may be franchise systems. The junk hauling and removal market is mature, well developed, and competitive. Your business will compete directly and indirectly with other businesses offering similar services, including independent local, regional, and national businesses, some of which may include other franchise systems.

Regulations Specific to the Industry

Industry-specific laws and regulations may affect the operation of your Franchised Business. You must comply with any applicable state or local licensing or regulatory requirements that are currently in effect or adopted in the future. For example, some jurisdictions may require a contractor's license in order for you to be able to operate, which may require you to have experience in order for you to qualify. You should investigate whether there are any local ordinances or special license requirements pertaining to the Franchised Business, or whether any city, town, or other governmental agency has issued or granted an exclusive right or license to a similar business or agency that would bar your operations in that area, or whether there may exist any special restrictions that may limit your right to access a local landfill or dump site.

You must meet all applicable local, state or federal contracting laws. In addition, the Department of Transportation in the state where you license your vehicle and operate your Franchised

Business may have regulations that apply to the vehicles you use and the drivers you employ, including certain motor vehicle licensing requirements. You should seek counsel or contact your state and local agencies for detailed information about applicable laws and regulations.

There are other federal, state and local laws and regulations of general applicability to business that will impact your operation, such as the Americans with Disabilities Act and the federal Occupational Safety and Health Act of 1970 known as "OSHA."

The Environmental Protection Agency (EPA), as well as certain state and local laws, rules and regulations may regulate some of the materials you dump, as well as rubbish hauling, dumping and removal. You must obtain all required licenses and permits relating to rubbish hauling, removal and dumping before you open for business in the time periods we specify in Item 11. You must maintain all required licenses and permits during the term of your Franchise Agreement.

We will not provide assistance in complying with any licensing requirements that are currently in effect or may be adopted in the future, nor any federal, local or state law, regulation or requirement applicable to your Franchised Business.

<u>Agents for Service of Process</u>

Our agents for service of process are listed in Exhibit F to this Disclosure Document.

ITEM 2
BUSINESS EXPERIENCE

<u>Daniel McCarty - Founder, Chief Executive Officer</u>

Daniel McCarty has served as our founder and Chief Executive Officer since our inception in May 2025. In addition to this role, Mr. McCarty serves as CEO of our affiliate, Junk Start, LLC in San Antonio, Texas since October 2022, and as CEO and co-owner of Beck Landfill since June 2017. Prior to these roles, Mr. McCarty served as Manager and Co-Owner of Multi-Source Sand & Gravel from June 2017 to July 2020, and as Manager and Co-Owner of Beck Ready-Mix Concrete Co. from June 2017 to February 2021. Mr. McCarty maintains his principal office in San Antonio, Texas.

<u>Devin Bevis – Director of Marketing</u>

Devin Bevis has served as our Director of Marketing since October 2025. Prior to this role, Mr. Bevis served as Director of Marketing for Caring Senior Service in San Antonio, Texas from June 2023 to October 2025. Mr. Bevis also previously served as Director of Marketing for DreamMaker Bath & Kitchen in Waco, Texas from May 2021 to June 2023. From December 2009 to May 2021, Mr. Bevis served as Co-Founder and Executive Director of Franchise Services for FirstLight Home Care Franchising in Cincinnati, Ohio.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Initial Franchise Fee

Upon execution of the Franchise Agreement, you must pay us an initial franchise fee in the amount of $52,500 (the "Initial Franchise Fee").

If we award you the right to open and operate your Franchised Business in two (2) Territories, the Initial Franchise Fee for the first Territory will be $52,500 and the Initial Franchise Fee for the second Territory will be $51,000.

If we award you the right to open and operate your Franchised Business in three (3) Territories, the Initial Franchise Fee for the first Territory will be $52,500, the Initial Franchise Fee for the second Territory will be $51,000, and the Initial Franchise Fee for the third Territory will be $49,500.

The Initial Franchise Fee is due and payable in a lump sum when you sign the Franchise Agreement(s), is deemed fully earned when paid, and is not refundable under any circumstances.

Initial Training Fee

Upon execution of the Franchise Agreement, you must pay us an initial training fee of $7,500 (the "Initial Training Fee"), which covers the training tuition for up to three (3) individuals to attend our initial training program in the San Antonio, Texas area. The Initial Training Fee is deemed fully earned when paid and is not refundable under any circumstances.

Vehicle Upfit and Decal Package

Subsequent to the ordering of your vehicles and prior to opening and commencing operations at your Franchised Business, you must purchase from us or our affiliate a vehicle upfit and decal package (the "Vehicle Upfit and Decal Package"). The Vehicle Upfit and Decal Package includes installation of the equipment and hardware necessary to enable your Franchised Business and its vehicles to offer "pay-by-weight" pricing, as well as the addition of required decals and branding. We estimate the initial cost for the financing of the Vehicle Upfit and Decal package is between $5,000 per vehicle during the initial period of operations of the Franchised Business, and $50,000 per vehicle if purchased outright. The fees for the Vehicle Upfit and Decal Package are uniformly imposed, deemed fully earned when paid and are not refundable under any circumstances.

Veteran and First Responder Discount

If you (or, where the franchisee is an entity, an owner holding at least 50% of the equity interest in the franchisee entity) qualify as a Veteran or First Responder, you are eligible for a discount of ten percent (10%) off of the Initial Franchise Fee. This discount applies only to the Initial Franchise Fee payable for your first Franchised Business and the first Territory granted under your Franchise Agreement. It does not apply to the Initial Franchise Fee payable in connection with any additional Territory. To receive this discount, you must (i) request it in writing at the time you sign the Franchise Agreement, and (ii) submit documentation satisfactory to us evidencing your eligibility. For purpose of this discount, "Veteran" means a person who has served in and been honorably discharged or released from the U.S. Armed Forces, and "First Responder" means a current or former law enforcement officer, firefighter, or emergency medical technician/paramedic. We may modify or discontinue this discount at any time.

Other Relevant Disclosures

Except as provided in this Item, all fees disclosed in this Item are uniformly applied to our franchisees/developers. All other purchases disclosed in this Item must be paid to us prior to, or at, delivery of the required purchases, and these fees are non-refundable upon payment. These fees are also uniformly applied to franchisees. If you (or, where the franchisee is an entity, an owner holding at least 50% of the equity interest in the franchisee entity) qualify as a Veteran or First Responder, you are eligible for a discount of ten percent (10%) off of the Initial Franchise Fee. This discount applies only to the Initial Franchise Fee payable for your first Franchised Business and the first Territory granted under your Franchise Agreement. It does not apply to the Initial Franchise Fee payable in connection with any additional Territory. To receive this discount, you must (i) request it in writing at the time you sign the Franchise Agreement, and (ii) submit documentation satisfactory to us evidencing your eligibility. For purpose of this discount, "Veteran" means a person who has served in and been honorably discharged or released from the U.S. Armed Forces, and "First Responder" means a current or former law enforcement officer, firefighter, or emergency medical

ITEM 6
OTHER FEES

Name of Fee	**Amount[1]**	**Due Date**	**Remarks**
Royalty Fee	The greater of (a) 8% of Gross Sale, or (b) the applicable Minimum Royalty.	Monthly via ACH electronic funds transfer account by the tenth (10th) of the following month for the preceding business month.	Gross Sales includes all revenue generated by your Franchised Business. All royalty payments, rebates and any other fees due under the Franchise Agreement, shall be collected by us through Electronic Funds Transfer. See Note 1 below for additional information on the Minimum Royalty.
Brand Fund Contribution	Currently 2.5% of Gross Sales.	Payable at the same time and in the same manner as the Royalty Fee.	You must make monthly contributions to the Brand Fund for certain (a) marketing campaigns we establish and implement on behalf of all System franchisees, and (b) any software and other technology we determine to provide you with access to and that is covered by Fund contributions. We reserve the right to increase the Brand Development Fund Contribution to up to 3% of Gross Sales upon 30 days' written notice to you.
Local Advertising Requirement	8% of Gross Sales.	As incurred each month, commencing on opening.	These are only the minimum amounts we require you to spend on local advertising and marketing. We encourage you to spend additional funds based on the demographics and other characteristics of your Territory. We have the right to require you to pay the Local Advertising Requirement directly to us on notice to you for local advertising expenditure in your market area.
Regional Advertising Cooperative Contribution	Not currently assessed.	As arranged by advertising cooperative and us.	We have the right, as we deem necessary in our sole discretion, to establish and maintain advertising cooperatives for the benefit of franchised businesses in a particular region. At this time, we have not established any advertising cooperatives.
Vehicle On-Board Weighing System	Currently, $338 per month. This amount will not increase by more than 10% each year.	Monthly via ACH electronic funds transfer account by the tenth (10th) of the following month for	Our affiliate will own and lease to you the Vehicle On-Board Weighing System.

Name of Fee	Amount[1]	Due Date	Remarks
		the preceding business month.	
Technology Fee	Currently, $650 per month. This amount includes up to three email addresses. Additional emails will be charged at the same rate charged to us.	Payable monthly	The Technology Fee currently includes but is not limited to fees related to your access to and usage of the CRM software we require, your productivity and cloud document management software, and emails for you and the personnel of your Franchised Business. We may add, delete, or otherwise modify the products and services that are included in the Technology Fee. We reserve the right to increase the amount of the Technology Fee upon 30 days' written notice to you, provided that the amount of the Technology Fee will not increase by more than 10% per year during the initial Term of the Franchise Agreement.
Revenue Center Fee	5.5% of Gross Sales.	Payable at the same time and in the same manner as the Royalty Fee.	We have established a System-wide call center (the "Revenue Center") and require franchisees to utilize such Revenue Center in connection with their operations. The Revenue Center currently includes our omni-channel lead booking platform (call center and lead response), inbound leads, as well as our local commercial sales training, support, and technology functions. We reserve the right to modify Revenue Center requirements and pricing in the future.
Key Accounts Fee	Not currently assessed. When established, 5% of Gross Sales per Key Account job serviced.	Payable as stated in the Manual or other written communications.	We reserve the right to establish Key Accounts with third party subcontractors who have customers in your Territory, regardless of whether you serviced the customer in the past. We reserve the right to require you to pay to us or to our designee additional fees, including recurring fees associated with any such Key Account, on the dates we designate, which may be

Name of Fee	Amount[1]	Due Date	Remarks
			specified in the Manual or other written communications.
Annual Meeting and Conference	Not currently assessed. When established, estimated at $750 per attendee, excluding the cost of travel, food and lodging.	As incurred	We may conduct an annual meeting or conference each year and require that you attend. This fee excludes the cost of travel, food, and lodging expenses that you and eligible personnel incur.
Product or Supplier Evaluation Fee	$500 plus our expenses.	If incurred	This fee is required if you request that we evaluate a proposed new product or supplier for the System.
Additional Training Fee	$750 per trainer per day.	Prior to additional training.	We may charge you our then-current training fee in the following circumstances: (i) if you or one (1) of your managers/personnel that is required to complete our initial training is replaced and/or fails to complete initial training and is required to re-attend; (ii) if you bring more than three (3) individuals to the Initial Training Program; (iii) if you request that we provide you with any additional training or otherwise request that we provide you with any on-site assistance in connection with your Franchised Business that is not already covered by us as described more fully in Item 11; and/or (iv) if you must participate in any remedial training that we require you to complete as part of curative actions in connection with your default under the Franchise Agreement. We may increase these fees by up to 10% per year during the term of the franchise agreement. In other circumstances where we require you to attend additional or refresher training at our request, we will not charge you a Training Fee.

Name of Fee	Amount[1]	Due Date	Remarks
Transfer Fee	$15,000, plus applicable brokers' fees.	Upon approved transfer or sale to another person or entity.	This is payable when you sell or transfer your franchise with our approval. There is no charge if you transfer to a corporation formed for the convenience of ownership, for approved intra-family transfers or for a transfer arising upon death or mental incompetency.
Renewal Fee	$10,000.	Upon your renewal of Franchise Agreement	You must meet certain criteria before we will allow you to renew your Franchise Agreement, including payment of a renewal fee.
Indemnification	Will vary according to circumstance.	Upon demand	You must reimburse us for attorneys' fees and costs that we incur in connection with any third-party claims brought against us that arise out of, or are related to, the operation of your Franchised Business.
Costs and Attorneys' Fees	Will vary under the circumstances.	On demand	If you default under an agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating the agreement.
Late Reporting Fee	$150 fee for each late report, and $250 for any consecutive violation(s).	On demand	This fee is applied if you do not deliver a report to us within three (3) business days of its due date, or if you do not enter and finalize your Gross Sales information into the designated software.
Interest on Overdue Amounts	One and a half percent (1.5%) per month or the highest legal rate we can charge, whichever is less.	As Incurred	Interest is payable on all overdue payments and accrues from the original due date until payment is received in full.
Non-Compliance Fee	Between $100 and $250 per non-compliance event, including violations of Franchise Agreement or System standards.	On demand after 2nd written warning of a non-compliance event	Before assessing a non-compliance fee, we will issue two (2) written warnings, except in the case of late reports or health/safety violations. The fees charged for non-compliance are in addition to all of our other rights upon your default of the Franchise Agreement.

Name of Fee	Amount[1]	Due Date	Remarks
Management Fee	Eight percent (8%) of Gross Sales, plus expenses.	Payable weekly out of the Franchised Business proceeds.	We may need to step in and operate your Franchised Business in certain circumstances, including your death, disability or prolonged absence. The reimbursable expenses include travel, lodging and meals.
Trade Dress Updates	Will vary under the circumstances.	As incurred	We may require you to update your Franchised Business to meet our then-current image requirements for a new Franchised Business entering the System. This may include purchasing or leasing new trucks, signage, uniforms and other items. We will allow you a reasonable period of time not to exceed twelve (12) months to implement any trade dress upgrades costing over $2,500, except when required by law or regulation.
Audit Fee	Actual cost incurred by us.	Immediately after 2% or more understatement of sales receipts is determined by our inspection.	If underreporting of sales is determined, you must pay the Royalty due plus interest, along with all the costs related to performing the audit. There is no charge for the audit if sales are reported accurately.
Insurance Reimbursement	Reimbursement of our costs plus ten percent (10%) of premium administration fee.	On demand	If you do not obtain the insurance required for your Franchised Business, we may obtain this insurance for you.

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Notes to Item 6:

1. Unless otherwise set forth in this Item, all fees noted in this Item 6 are uniformly imposed and are payable to us and/or our designated suppliers and are non-refundable. All fees due under the Franchise Agreement will be collected by us through our Electronic Funds Transfer ("EFT") Program from a bank account that you choose. You must execute the Electronic Funds Withdrawal Authorization in a form substantially similar to that attached as Exhibit D to the Franchise Agreement contemporaneously with the execution of the Franchise Agreement that authorizes us to collect all fees by EFT. You must make sure that there is a sufficient balance in your account to make payments of Royalty Fees, Revenue Center Fees, Brand Fund Contributions and other continuing fees payable to us and/or our affiliates.

2. "Gross Sales" is defined in the Franchise Agreement to include the actual gross revenues billed to your customers and all income that you derive or receive directly or indirectly from, through, by or on account of the operation of the Franchised Business, including, without limitation, through the provision of the Approved Services, in whatever form and from whatever source, including but not limited to cash, services, in kind from barter and/or exchange, on credit or otherwise. "Gross Sales" also includes any proceeds from business interruption insurance, without deduction for expenses, taxes or any other liability and including any broker or disposal fee you charge or receive in compensation for the disposal of customer articles or goods. "Gross Sales" does not include sales tax that is collected from customers and transmitted to the appropriate taxing authorities.

3. You must pay us a royalty each month equal to the greater of (a) eight percent (8%) of Gross Sales, or (b) the applicable Minimum Royalty.

The Minimum Royalty is calculated on an annual, per-Subterritory basis, depending upon the number of years in which the Franchised Business has been in operation. Currently, the Minimum Royalty is as follows:

Year of Operation of Franchised Business	Minimum Royalty (per Subterritory per Year)
1	$825
2	$1,650
3	$2,475
4	$3,025
5 through 10	$3,850

4. All customer orders must be processed via our Revenue Center, our Websites, our designated point of sale system and related software, or any other designated software we may provide. You must enter all customer orders, job details, estimates, payment methods, amounts billed, and any and all income and revenue received into the Required Software program in a timely and accurate manner, no later than the end of business each day. Each week we will access your computer system to obtain your Gross Sales information for the previous week, or as otherwise stipulated by us in the Manuals in the time period and format described in the Manuals. We also have the right to independently access your computer system to obtain any of this information, at any time and without notice. If you do not enter your Gross Sales information when required, we may debit your account for one hundred fifty dollars ($150) for the first late report, and two hundred fifty dollars ($250) for

each subsequent late report ("Late Reporting Fee"). The Late Reporting Fee is in addition to any other remedy we have for failure to report Gross Sales information.

5. You must continuously promote the Franchised Business within your Territory. Upon our written request, you must provide us with invoices and other documentation necessary to demonstrate that you are in compliance with your Local Advertising Requirement. Your Local Advertising Requirement will: (i) typically be paid directly to local, regional, or national vendors and providers, in accordance with our directives and approval; and (ii) commence upon expiration of the approved period for your Initial Marketing Spend. We may provide general guidelines for conducting local advertising to better assist you. We reserve the right to require you to pay us your Local Advertising Requirement for our expenditure on local advertising and promotion of your Franchised Business.

6. You must contribute 2.5% your Gross Sales to the Brand Development Fund (the "Fund"). See Item 11 for additional information about the administration of the Fund.

7. When established, we will maintain the Revenue Center for the benefit of the System and all of our franchisees' outlets, as well as company or affiliate-owned outlets. The Revenue Center receives all incoming phone orders, as well as orders obtained via the Websites, and dispatches orders to the appropriate Franchised Business or company or affiliate-owned outlet.

8. Non-compliance fees will be assessed for any violation of the Franchise Agreement or System standards and may vary depending on the nature and frequency of the non-compliance event. Each non-compliance event also constitutes an event of default under your Franchise Agreement, entitling us to terminate the Franchise Agreement if you do not timely cure the default.

9. If we audit your Franchised Business and you understate the reporting of your Gross Sales by two percent (2%) or more, then you must immediately pay all costs associated with the audit, including our travel and other out-of-pocket expenses. You must also immediately pay us the additional amounts owed and interest at the rate described on the table above for overdue amounts, commencing from the original date owed to us. Otherwise, we pay the cost of the audit.

10. If you fail to comply with our minimum insurance requirements, we may obtain and maintain the requisite insurance coverage on your behalf and at your sole expense. You must pay us the premium cost of any insurance we obtain on your behalf plus an administrative fee equal to ten percent (10%) of the premium cost. We have the right to increase or modify the minimum insurance requirements upon thirty (30) days prior written notice to you, and you must comply with any modification within the time specified. See Item 8.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement – Operation of Franchised Business in One (1) Territory (5 Subterritories, with One Vehicle)

YOUR ESTIMATED INITIAL INVESTMENT					
Type of Expenditure (1)	**Amount**		**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
	Low	**High**			
Initial Franchise Fee[1]	$52,500	$52,500	Lump Sum	When Franchise Agreement Signed	Us
Initial Training Fee[2]	$7,500	$7,500	Lump Sum	When Franchise Agreement Signed	Us
Vehicle (One Vehicle)[3]	$7,500	$75,000	As arranged	As arranged	Approved Supplier
Vehicle Upfit and Decal Package (One Vehicle)[4]	$5,000	$50,000	As arranged	As arranged	Affiliate Supplier
Vehicle On-Board Weighing System Lease[5]	$1,014	$1,115	As arranged	As arranged	Affiliate Supplier
Rent – 3 Months[6]	$1,500	$7,000	As arranged	As arranged	Third Parties
Signage[7]	$2,000	$5,000	As arranged	As arranged	Third Parties
Equipment[8]	$1,000	$5,000	As arranged	As arranged	Approved Supplier(s)
Technology System[9]	$1,000	$3,500	As arranged	As arranged	Approved Supplier(s)
Insurance[10]	$5,000	$30,000	As arranged	As arranged	Approved Supplier
Travel and Living Expenses While Training[11]	$1,500	$4,000	As arranged	As arranged	Third Parties

Grand Opening Marketing[12]	$15,000	$15,000	As arranged	As arranged	Approved Suppliers, Third Parties
Technology Fee (3 Months)[13]	$1,950	$1,950	As arranged	As invoiced	Us
Professional Fees[14]	$1,500	$5,000	As arranged	As arranged	Attorney, Accountant and Business Advisors
Business Permits and Licenses[15]	$500	$3,000	As arranged	As arranged	Applicable State Agency(ies)
Additional Funds – 3 Months[16]	$30,000	$70,000	As arranged	As arranged	Varies
Total[17]	**$134,464**	**$335,565**			

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B. **Franchise Agreement – Operation of Franchised Business in Two (2) Territories (10 Subterritories, with One (1) to Two (2) Vehicles)**

YOUR ESTIMATED INITIAL INVESTMENT					
Type of Expenditure (1)	**Amount**		**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
	Low	**High**			
Initial Franchise Fee[1]	$103,500	$103,500	Lump Sum	When Franchise Agreement Signed	Us
Initial Training Fee[2]	$7,500	$7,500	Lump Sum	When Franchise Agreement Signed	Us
Vehicles (One to Two Vehicles)[3]	$7,500	$150,000	As arranged	As arranged	Approved Supplier
Vehicle Upfit and Decal Package (One to Two Vehicles)[4]	$5,000	$100,000	As arranged	As arranged	Affiliate Supplier
Vehicle On-Board Weighing System Lease (One to Two Vehicles)[5]	$1,014	$2,230	As arranged	As arranged	Affiliate Supplier
Rent – 3 Months[6]	$1,500	$7,000	As arranged	As arranged	Third Parties
Signage[7]	$2,000	$5,000	As arranged	As arranged	Third Parties
Equipment[8]	$1,000	$5,000	As arranged	As arranged	Approved Supplier(s)
Technology System[9]	$1,000	$3,500	As arranged	As arranged	Approved Supplier(s)
Insurance[10]	$10,000	$40,000	As arranged	As arranged	Approved Supplier
Travel and Living Expenses While Training[11]	$1,500	$4,000	As arranged	As arranged	Third Parties

Grand Opening Marketing[12]	$30,000	$30,000	As arranged	As arranged	Approved Suppliers, Third Parties
Technology Fee (3 Months)[13]	$1,950	$1,950	As arranged	As invoiced	Us
Professional Fees[14]	$1,500	$5,000	As arranged	As arranged	Attorney, Accountant and Business Advisors
Business Permits and Licenses[15]	$500	$3,000	As arranged	As arranged	Applicable State Agency(ies)
Additional Funds – 3 Months[16]	$50,000	$90,000	As arranged	As arranged	Varies
Total[17]	**$225,464**	**$557,680**			

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C. Franchise Agreement – Operation of Franchised Business in Three (3) Territories (15 Subterritories, with Two (2) to Three (3) Vehicles)

YOUR ESTIMATED INITIAL INVESTMENT					
Type of Expenditure (1)	**Amount**		**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
	Low	**High**			
Initial Franchise Fee[1]	$153,000	$153,000	Lump Sum	When Franchise Agreement Signed	Us
Initial Training Fee[2]	$7,500	$7,500	Lump Sum	When Franchise Agreement Signed	Us
Vehicles (Two to Three Vehicles)[3]	$15,000	$225,000	As arranged	As arranged	Approved Supplier
Vehicle Upfit and Decal Package (Two to Three Vehicles)[4]	$10,000	$150,000	As arranged	As arranged	Affiliate Supplier
Vehicle On-Board Weighing System Lease[5]	$2,028	$3,346	As arranged	As arranged	Affiliate Supplier
Rent – 3 Months[6]	$1,500	$7,000	As arranged	As arranged	Third Parties
Signage[7]	$2,000	$5,000	As arranged	As arranged	Third Parties
Equipment[8]	$1,000	$5,000	As arranged	As arranged	Approved Supplier(s)
Technology System[9]	$1,000	$3,500	As arranged	As arranged	Approved Supplier(s)
Insurance[10]	$10,000	$60,000	As arranged	As arranged	Approved Supplier
Travel and Living Expenses While Training[11]	$1,500	$4,000	As arranged	As arranged	Third Parties
Grand Opening Marketing[12]	$45,000	$45,000	As arranged	As arranged	Approved Suppliers, Third Parties

Technology Fee (3 Months)[13]	$1,950	$1,950	As arranged	As invoiced	Us
Professional Fees[14]	$1,500	$5,000	As arranged	As arranged	Attorney, Accountant and Business Advisors
Business Permits and Licenses[15]	$500	$3,000	As arranged	As arranged	Applicable State Agency(ies)
Additional Funds – 3 Months[16]	$50,000	$90,000	As arranged	As arranged	Varies
Total[17]	**$303,478**	**$768,296**			

Explanatory Notes to Item 7 Charts A, B, and C:

General. Unless otherwise indicated, none of the expenses listed in the above chart are refundable. We do not finance any portion of your initial investment.

1. **Initial Franchise Fee**. The Initial Franchise Fee is described in detail in Item 5.

2. **Initial Training Fee**. The Initial Training Fee is described in detail in Item 5.

3. **Vehicle(s)**. You must purchase or lease one vehicle if you operate in one Territory, two vehicles if you operate in two Territories, and three vehicles if you operate in three Territories that meet our specifications prior to commencing operation of your Franchised Business. With our prior consent, a franchisee operating in two (2) or three (3) Territories may begin operations with fewer vehicles (one (1) vehicle for two Territories, or two (2) vehicles for three Territories) and add the remaining vehicle(s) in accordance with our vehicle development schedule. The low end of the estimate for two Territories assumes that you are opening with one vehicle and that you are financing that vehicle. The low end of the estimate for three Territories assumes that you are opening with two vehicles and that you are financing those vehicles. The vehicles must also be branded to our specifications. All vehicles for use in the operation of the Franchised Business must be in good operating order, clean and in good cosmetic condition (no visible, rust, dents or body damage, as determined by us in our discretion). The estimate assumes a cost of $75,000 per vehicle. The low end of the estimates in Charts A, B, and C above assume that you will be required to place a deposit of ten percent (10%) down on your financing of the vehicles. The high end of the estimates in Charts A, B, and C above assume that you will purchase the vehicles outright. These estimates do not include state license, taxes, fees or shipping, all of which vary depending on the location of the Franchised Business.

Our current service vehicle specifications are set forth in our Operations Manual and are subject to change. We currently require your cab/chassis to be a 2023 or newer Isuzu NRR with specific GVWR and wheel-base requirements we designate. We may require that you replace each vehicle every seven (7) years or earlier, depending on the condition of the vehicle.

4. **Vehicle Upfit and Decal Package**. Subsequent to the ordering of your vehicles and prior to opening and commencing operations of your Franchised Business, you must purchase from us or our

affiliate a vehicle upfit and decal package (the "Vehicle Upfit and Decal Package"). The Vehicle Upfit and Decal Package includes installation of the dump bed, as well as the addition of required decals and branding. The low ends of the estimates above assume that you will finance your purchase of the Vehicle Upfit and Decal Package by paying 10% down. The high end of the estimates assume that you will purchase the entire Package outright with the total cost of the package for each vehicle estimated at approximately $50,000. The availability of financing and your required payments will vary depending upon numerous factors, including your creditworthiness, the terms of available financing, and other factors.

5. **Vehicle On-Board Weighing System.** Subsequent to the ordering of your vehicles and prior to opening and commencing operations of your Franchised Business, you must lease from our affiliate the Vehicle On-Board Weighing System. The Vehicle On-Board Weighing System will be installed by our affiliate or a technician approved by us or our affiliate. The Vehicle On-Board Weighing System fee will begin when you open the Franchised Business. For a single Territory and two Territories, the low end of this range assumes that you are leasing one Vehicle On-Board Weighing System. The low end of this range for three Territories assumes that you are leasing two Vehicle On-Board Weighing Systems. The high end of this range for a single Territory assumes you are leasing one Vehicle On-Board Weighing System, along with any potential increase to this fee. The high end of this range for two Territories assumes you are leasing two Vehicle On-Board Weighing Systems, along with any potential increase to this fee. The high end of this range for three Territories assumes that you are leasing three Vehicle On-Board Weighing Systems, along with any potential creases to this fee.

6. **Rent – 3 Months**. You must operate the Franchised Business (its administrative functions) out of a small office, typically of between 300 to 400 square feet, which may include a storage yard or other area for vehicle and/or equipment storage. The range in the table above accounts for an estimate for the first three months of rent. This estimate includes three months' rent, security deposit and utilities. These costs may not be refundable, but your security deposit may be refundable under certain circumstances. The cost per square foot of commercial space varies considerably depending upon the location and market conditions. Lease costs vary based upon square footage, the cost per square foot, required maintenance costs and other lease variables. It is difficult to estimate real estate costs. We are not real estate professionals, and we encourage you to consult one locally.

7. **Signage**. The estimates above are for certain exterior and interior signage that we require for your Franchised Business.

8. **Equipment**. The estimate ranges above are for certain initial equipment you will need in the operation of the Franchised Business, including hand tools and hauling equipment. These items may include a hand truck, dolly, contractor bags, gloves, masks, and hard hats. If you already have the necessary equipment, your cost will be less. In addition, you must obtain a GPS tracking device and GPS tracking device services from our designated vendor, as specified in our Manuals. You must provide us with login access to your GPS service account to allow us independent access to the tracking information generated for your vehicles.

9. **Technology System**. Our technology system estimate includes the cost of purchasing the computer system we require, including any handheld tablets or other devices for use on the road. Please see Item 11 for our required computer hardware and software components.

10. **Insurance.** Our current required insurance specifications are listed in Item 8.

11. **Travel and Living Expenses While Training**. The Initial Training Fee will cover the initial training for three (3) individuals, but you must pay all costs associated with your and your trainees' attendance at training. These amounts include estimated out-of-pocket costs for travel expenses, lodging, meals, and applicable wages. Our on-site initial training program is approximately five (5) days in duration. The low end of our estimate assumes that your Operating Principal is within driving distance of our training facility. Your cost may vary depending on the distance you must travel, the type of accommodations you choose and whether you have additional Owners or employees trained.

12. **Grand Opening Marketing**. You must conduct an initial marketing campaign to promote the grand opening of your Franchised Business. We must approve of the initial marketing campaign before you conduct it, and you must carry out the approved campaign starting one (1) month before opening and continuing for three (3) months after opening the Franchised Business. You are required to spend at least $15,000 per Territory on the Grand Opening Marketing campaign.

13. **Technology Fee (3 Months)**. We charge a monthly technology fee of $650 per month in connection with certain software we require for use by the Franchised Business and email addresses (up to three). See Item 6 for additional information.

14. **Professional Fees**. We strongly advise you to consult with your own financial and legal advisors, and we anticipate that you will incur professional fees related to your evaluation of this Disclosure Document, including the Franchise Agreement. In addition, you must form an entity for your Franchised Business, which will incur legal fees and expenses. Costs may vary based on the local market for such services, and these fees are typically not refundable.

15. **Business Permits and Licenses**. You must obtain the operational licenses and permits required by applicable federal, state and local law. All required licenses and permits must be in place and in good standing at all times during the term of your Franchise Agreement. You must investigate your state's license requirements.

16. **Additional Funds – 3 Months**. This item estimates certain additional startup expenses (other than the items identified separately in the table) for the initial period of operations of your Franchised Business, which we anticipate will be three (3) months. You will need additional capital to support ongoing expenses to the extent these costs are not covered by sales revenue. We estimate the amounts listed to be sufficient to cover ongoing expenses during the start-up period that we calculate to be three (3) months, but there are no assurances that additional working capital will not be necessary during the start-up phase or after.

17. **Total**. We relied on our management team's experience, as well as the experience of the TX Affiliate, to compile these estimates. You should review these figures carefully with a business advisor before deciding to purchase the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing the franchise purchase and business start-up depend on many factors, including the availability of financing, your creditworthiness and collateral and lending policies of financial institutions.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Franchised Business in strict conformance with our System's methods, standards and specifications. These will be communicated to you in writing when we evaluate your proposed location during training, before you conduct your Initial Marketing Spend, during on-site opening assistance, during periodic visits to your Franchised Business, through periodic bulletins and the Manuals, and through other proprietary guidelines and writings. We may periodically change our System standards and specifications and you will be solely responsible for costs associated with modifications to the System.

Required Purchases from Us.

As of the Issuance Date of this disclosure document, we are the sole Approved Supplier for customer call center services provided by our Revenue Center as well as the Vehicle Upfit and Decal Package. Our affiliate is the sole Approved Supplier for the Vehicle On-Board Weighing System. We and/or our affiliates may become approved suppliers of additional goods or services in the future. We reserve the right to earn a profit on any approved goods or services, including the Revenue Center and the Vehicle Upfit and Decal Package, as well as the licensing of any proprietary software we develop or any additional goods or services sold.

Purchases from Approved Suppliers

We may require you to purchase or lease any items or services necessary to operate your Franchised Business from suppliers we have designated and approved (each an "Approved Supplier"). These items and services may include, but are not limited to: GPS tracking devices and GPS tracking services, point of sale (POS) systems, CRM systems, and related software, customer feedback software, merchant accounts for accepting various customer payment methods, merchant credit card processing systems, pay-per-click advertising services, website management, search engine optimization ("SEO") and search engine marketing ("SEM") services, branded merchandise, uniforms, vehicles, Vehicle Upfit and Decal Package, and vehicle wraps. We will provide a list of our Approved Suppliers as part of the Manuals or otherwise in writing, and we may update or modify this list as we deem appropriate. We will negotiate purchasing terms and continued supply for franchisees with approved suppliers; but we cannot guarantee that any approved supplier will offer or continue any particular pricing, supply, warranty or other terms of sale. We are not under any obligation to you regarding the terms negotiated or any supplier's terms. The arrangements we negotiate may include that approved suppliers pay us a sponsorship fee to help pay for the costs of an annual meeting or conference, and we and our affiliates reserve the right to earn revenue from approved suppliers. This may include rebates or commissions, on account of their sales of any goods or services to our franchisees.

As of the Issuance Date of this Disclosure Document, our Chief Executive Officer Daniel McCarty owns an interest in Junk Start Equipment, LLC, our affiliate provider of vehicle upfitting services. Other than the above, none of our officers has an ownership interest in any approved supplier for the System.

We do not provide you with any material benefits based on your use of designated or approved suppliers, such as the grant of a renewal or an additional franchise; but you must purchase those goods and services from approved or designated sources, to be in compliance with your Franchise

Agreement. There are no purchasing or distribution cooperatives in which you must participate, though we may require this in the future.

We reserve the right to derive revenue, rebates, or other material consideration on account of purchases you must make from Approved Suppliers. As of the Issuance Date of this Disclosure Document, we do not receive rebates on account of required purchases from System franchisees.

For the fiscal year ending December 31, 2025, neither us nor our affiliate derived any revenue on account of franchisees' required purchases.

We estimate that your purchases from us or approved suppliers will represent approximately forty percent (40%) to seventy percent (70%) of your total purchases in establishing the Franchised Business, and approximately ten percent (10%) to thirty percent (30%) of your total purchases in the continuing operation of the Franchised Business.

Non-Approved Product/Service and Alternate Supplier Approval

If you wish to purchase items we have not previously approved, or you wish to purchase from a supplier that we have not previously approved, you must obtain our prior approval. We require that certain items be sourced exclusively from us or our approved or designated suppliers. This is to achieve uniformity or better pricing, simplify inventory and purchasing, or for other legitimate business reasons. We do not promise to evaluate or approve alternate products or suppliers on your request, and we may decline to do so.

If we elect to evaluate a product or supplier at your request, you must provide us with adequate information and samples. See Item 6 for Product or Supplier Evaluation Fees. If we agree to evaluate a proposed product or supplier, we will provide you with written notification of the approval or disapproval of the product or supplier within thirty (30) days from the date we received all information and samples necessary. We may revoke approval of suppliers upon written notice, and we are not required to provide to you or any supplier the evaluation criteria we use.

Advertising

All advertising and promotional materials, signs, decorations, paper goods (including stationery) and other items we designate must bear the Marks in the form, color, location and manner we prescribe. In addition, all your advertising and promotion must be approved by us and must conform to our System standards, the requirements listed in the Manuals or otherwise approved by us in writing. This includes the requirement that your advertising contain the number for our Revenue Center, website address and that the business is an independently owned and operated franchise. You must obtain our approval before you use any advertising and promotional plans and materials unless the materials were provided by us. If you do not receive written approval within fifteen (15) days after we receive the materials, they are deemed not approved. We and our affiliates reserve the right to be the exclusive suppliers of the advertising materials used in the System. There are currently no advertising cooperatives in our System, but we may create a regional advertising cooperative and require you to contribute to this advertising cooperative.

Insurance

Before beginning any operations under the Franchise Agreement, you must obtain and maintain, during the term of the Franchise Agreement and at your own expense, an insurance policy or policies protecting you, us, our affiliates, and our respective officers, directors, managers, partners, members, affiliates, subsidiaries and employees.

Our current required insurance policies, and their associated coverage limits, are as follows:

(1) Commercial General Liability insurance in the amount of $1,000,000 per occurrence and $2,000,000 in the aggregate, including (a) damages to rented premises in the amount of $300,000 per occurrence; (b) medical expenses in the amount of $5,000 per individual; (c) products liability in the amount of $2,000,000 in the aggregate; and (d) personal and advertising injury in the amount of $1,000,000.

(2) Automobile liability insurance covering unowned and hired vehicles in the amount of at least $1,000,000 combined single limit per accident.

(3) Umbrella insurance in the amount of $2,000,000 per occurrence, and $2,000,000 in the aggregate.

(4) Workers' Compensation and Employers' Liability insurance as required by the state in which your Franchised Business operates.

(5) Any other insurance we require during the term of the Franchise Agreement.

All policies must be written by a responsible carrier or carriers whom we determine to be acceptable. The carriers must name us, our affiliates, our respective officers, directors, managers, partners, members, affiliates, subsidiaries and employees as additional insureds. Policies must provide at least the types and minimum amounts of coverage specified in the Franchise Agreement and the Manuals. Each policy must provide us with thirty (30) days' prior notice of any changes to or cancellation of the policies. You must provide us with copies of all Certificates of Insurance evidencing your compliance with your insurance obligations on an annual basis. The types and limits of insurance required may be changed in the Manuals, and you must comply with any new insurance requirements. Additionally, we may designate one or more insurance companies as the insurance carrier(s) for all System franchisees. If so, we may require that you obtain your insurance through the designated carrier(s).

Franchisee Compliance

When determining whether to grant new or additional franchises, we consider your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

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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 areas of this Disclosure Document.

Obligation	Section in the Franchise Agreement	Item Number in this Disclosure Document
a. Site selection and acquisition/lease	Sections 2(B), 2(C), 5(E), and 6(A) and Exhibit A	Items 11 and 12
b. Pre-opening purchases/leases	Sections 6(B), 6(G), 6(I) and 6(J)	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 6(C), 6(D) and 6(E)	Items 6, 7 and 11
d. Initial and ongoing training	Sections 5(A), 5(B), 5(C) and 5(G)	Items 6, 7 and 11
e. Opening	Section 6(C)	Items 7 and 11
f. Fees	Section 4(A)	Items 5 and 6
g. Compliance with standards and policies/Manuals	Sections 5(D), 6 and 8	Items 8 and 16
h. Trademarks and proprietary information	Section 7	Items 13 and 14
i. Restrictions on products/services offered	Sections 6(F), 6(J), 6(K), 6(L) and 6(S)	Items 8 and 16
j. Warranty and customer service requirements	Section 6(T)	Item 16
k. Territorial development and sales quotas	Sections 2(B) and 6(Z)	Item 12
l. Ongoing product/service purchases	Sections 6(G), 6(H), 6(I), 6(J) and 6(K)	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 3(B)(7) and 6(G)	Items 6 and 17
n. Insurance	Section 11	Items 6, 7 and 8
o. Advertising	Sections 5(F), 5(H) and 9	Items 6, 7 and 11
p. Indemnification	Sections 7(M) and 12(C)	Item 6
q. Owner's participation/ management/ staffing	Sections 6(V) and 6(Y)	Item 15
r. Records and reports	Sections 4(D) and 10	Item 11
s. Inspections and audits	Sections 5(L), 6(Q), 6(U), 10(b) and 10(G)	Items 6, 11
t. Transfer	Section 13	Item 17
u. Renewal	Section 3(B)	Item 17

v. Post-termination obligations	Sections 14(B) and 16	Item 17
w. Non-competition covenants	Section 14	Item 17
x. Dispute resolution	Section 21	Item 17
y. Guarantee	Exhibit B of the Franchise Agreement	Not Applicable

ITEM 10
FINANCING

We do not offer direct or indirect financing. We will not guarantee your note, lease or other obligations.

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

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

A. Pre-Opening Obligations

Prior to the opening of your Franchised Business, we (or our designee) will provide you with the following assistance:

1. We will designate your Territory and include its boundaries in a Data Sheet attached as Exhibit A to your Franchise Agreement. (Franchise Agreement, Section 2(B)).

2. We will provide site selection guidelines and assistance in connection with selecting the premises for the office. The general site selection and evaluation criteria that we consider in approving your site include, among other things, the condition of the premises, vehicular and pedestrian access, population demographics of the surrounding area and general suitability. (Franchise Agreement, Sections 5(E)(1) and 5(E)).

3. We will also review (and subsequently approve/disapprove) any proposed lease or purchase agreement for each location that you propose as a premise for an office space, if you present any such proposals to us prior to opening. (Franchise Agreement, Sections 5(E)).

4. We will provide information regarding sources for signs, equipment, fixtures, furnishings, improvements and other products and services for your Franchised Business, including a list of approved suppliers and vendors. You must obtain the signs, equipment, fixtures, furnishings, improvements and other products and services directly from our approved suppliers and vendors. You are then required to deliver and install them yourself. (Franchise Agreement – Section 5(D)).

5. We will approve or disapprove any other initial advertising or marketing materials, business forms, stationery, business cards, or other forms you intend to utilize. (Franchise Agreement – Section 9(B) and 5(H)).

6. We will provide you with our initial training program that covers material aspects of the operation of the Franchised Business (the "Initial Training Program"). (Franchise Agreement, Section 5(A)).

7. We will, after your successful completion of initial training, provide you with access to our Manuals, handbooks and other related materials in which we designate our System standards. (Franchise Agreement – Section 5(D)).

8. We will provide you with guidance on how to expend the Grand Opening marketing funds for your Franchised Business. (Franchise Agreement, Section 9(C)).

9. We will provide access to our confidential Operations Manual. As of the issuance date of this Disclosure Document, we have one Operations Manual, which is approximately 256 pages. All Manuals, including the Operations Manual, are the sole property of Franchisor and are highly confidential. You must use your best efforts to maintain the confidentiality of these Manuals, and all copies (hard copies or electronic files) of the Manuals must be returned upon request. We may revise or modify the Manuals to reflect new System standards. You must accept and comply with such revisions, modifications and additions, which may be communicated by mail, email, posting on our Websites or otherwise. You are prohibited from copying or distributing the Manuals and must only use information in the Manuals to manage your Franchised Business (Franchise Agreement Section 5(D)).

B. Typical Length of Time Before Operation

Your Operating Principal must attend our Initial Training Program prior to opening the Franchised Business. (Franchise Agreement – Section 6(M)(1). Unless we authorize otherwise, within two (2) weeks of signing the Franchise Agreement you must place an order for your vehicles and, prior to starting operations, must obtain all necessary business licenses. You must promptly respond to all additional requests by governmental agencies or entities or organizations issuing business licenses necessary to operate your Franchised Business. (Franchise Agreement – Sections 6(D) and (E)).

We estimate that the time from signing the Franchise Agreement to opening the Franchised Business will be approximately two (2) to four (4) months. However, this time may be impacted by shortages, delivery schedules and other similar factors, obtaining permits and licenses, and training.

You must begin operating your Franchised Business within four (4) months after signing the Franchise Agreement, but we may extend this time period if you have not received all permits to operate your Franchised Business. (Franchise Agreement – Section 6(C) and (D)). You must obtain our written approval of the proposed site and of your lease agreement before signing any lease agreement. Although we do not typically do so, we reserve the right to purchase the real estate on which your proposed office space is located and to lease the premises to you.

You may not open your Franchised Business until all amounts owed to us have been paid, all required persons have completed our training program, you have provided to us proof of insurance coverage, and all equipment and supplies have been purchased or leased according to our specifications. If you do not begin operating your Franchised Business within four (4) months after signing the Franchise Agreement (subject to any extension(s) of time as provided above), we may terminate the Franchise Agreement. (Franchise Agreement – Section 15(B)).

If you will operate your Franchised Business in multiple Territories, you may commence operations upon the execution of each of the applicable Franchise Agreements, the payment of the applicable

Initial Franchise Fee, and the completion of all of your pre-opening obligations, including but not limited to completion of the Initial Training Program by all individual(s) required to attend.

If you are operating in two (2) or three (3) Territories, we may permit you to commence operations with fewer vehicles than the total number ultimately required for the number of Territories (one (1) vehicle for a two-Territory franchise, or two (2) vehicles for a three-Territory franchise) and to add the remaining approved vehicle(s) in accordance with a vehicle development schedule. If you open in multiple Territories, you may begin marketing, selling, and performing jobs in all approved Territories upon opening.

The key required milestone under the vehicle development schedule is the date you order the required vehicle and pay any required deposit. You must order and pay any required deposit for, the next required vehicle no later than the earlier of (a) one hundred twenty (120) days after opening, or (b) the first month in which Gross Sales equal or exceed $25,000 per active vehicle. After the required Territory vehicle count is reached, you must add an additional approved vehicle whenever average Gross Sales per active vehicle is equal to or exceeds $25,000 in any given month, unless we approve a different schedule in writing (for example, $25,000 for one vehicle, $50,000 for two vehicles, $75,000 for three vehicles, and $100,000 for four vehicles).

We reserve the right to adjust the vehicle development schedule based on relevant circumstances, including seasonality, market size, vehicle availability, Territory size, customer demand, revenue performance, operational capacity, or your approved launch plan.

Your compliance with the vehicle development schedule is a material obligation because it affects customer service, Territory development, revenue capacity, brand standards, and system growth. If you fail to obtain, maintain, or operate the required number of approved vehicles, we may require a corrective action plan and/or provide a temporary cure period, and we may exercise other remedies available under the Franchise Agreement, which are further described in Item 12. See Franchise Agreement, Section 6(F).

C. Post-Opening Obligations

After the opening of your Franchised Business, we (or our designee) will or may provide you with the following assistance:

1. We will visit your Franchised Business for up to two (2) days to provide additional on-site assistance and training. This assistance is subject to our availability and will typically take place within the first six (6) weeks of the opening of your Franchised Business. So long as you are complying with the terms of your Franchise Agreement, there will be no fee for this on-site assistance. (Franchise Agreement – Section 5(B))

2. We may require you to attend meetings or conferences with our personnel and other franchisees. (Franchise Agreement – Section 5(Q)).

3. We may conduct advertising and/or public relations activities in local, regional and national print publications. We may provide marketing and/or advertising materials for your use, at your own expense. (Franchise Agreement – Section 9(E)).

4. We, or a designated third party, may provide you with an email address and may design, update and host our Websites, which may contain a webpage for the promotion of your Franchised Business. (Franchise Agreement – Section 5(J) and Section 9(G)).

5. We may operate the Revenue Center for so long as we charge a Revenue Center Fee and refer prospective customers to you. (Franchise Agreement – Section 4(A)(7) and 5(R)).

6. We may provide you with a list of approved suppliers, vendors and contactors. (Franchise Agreement – Section 5(D)).

7. We may provide additional post-opening training for you and/or your representative, as described in this Item. (Franchise Agreement – Section 5(B) and (C)).

8. We may provide local advertising and marketing assistance in a manner, form and frequency we deem appropriate. (Franchise Agreement – Section 9(D)).

9. We may provide local advertising, marketing, customer training, educational plans and materials, including radio commercial tapes, merchandising materials, sales aids, special promotions and similar advertising, at your own expense. (Franchise Agreement – Section 5(F) and 9(D)).

10. We may provide in person or virtual individual or group counseling in the operation of the Franchised Business presented by seminar, webinar, phone, newsletters or bulletins. (Franchise Agreement – Sections 5(B), (C) and (G)).

11. We may provide advice concerning operations, new techniques or operating methods for the Franchised Business, and use of the Manuals. (Franchise Agreement – Section 5(G)).

12. We may conduct periodic inspections of your Franchised Business. In an effort to maintain a high quality of performance, we may contact any customer you serviced. (Franchise Agreement – Section 5(L) and 4(C)).

13. We may establish and enforce System standards. (Franchise Agreement – Section 19).

14. We may institute a Brand Development Fund to be used for national and regional advertising, publicity, brand development and promotion deemed necessary for promoting the System, Marks and Approved Services. (Franchise Agreement – Section 9(E)).

15. We may specify minimum policy limits for certain types of insurance coverage and review, verify and/or approve proof of insurance and forms of additional insured endorsements. (Franchise Agreement – Section 11).

We are not required to provide any other service or assistance to you for the continuing operation of your Franchised Business.

D. Advertising and Promotion

Grand Opening Marketing

You must spend a minimum of $15,000 on the marketing associated with the grand opening of your Franchised Business in one (1) Territory. If you are operating in two (2) Territories, you must spend a minimum of $30,000 on the marketing associated with your grand opening. If you are operating in three (3) Territories, you must spend a minimum of $45,000 on the marketing associated with your grand opening. We must approve of your grand opening advertising plan before you implement it. You must spend these amounts in the period commencing one month before the opening of the Franchised Business, through the first three months of the operation of the Franchised Business. The amounts you spend in connection with your grand opening are typically not refundable. We may provide you with guidance for your grand opening marketing.

Local Advertising Requirement

You must expend a minimum of eight percent (8%) of Gross Sales each month on local advertising and marketing during the Term of the Franchise Agreement (the "Local Advertising Requirement"). (Franchise Agreement – Section 9(D)).

We and our affiliates reserve the right to be the exclusive suppliers of the advertising materials used in the System and may require that you utilize approved and designated suppliers for your local advertising. All advertising, marketing and promotional plans and/or materials you use, including any advertising and/or marketing plan or material used for the internet and/or a worldwide web page, must be conducted in a dignified manner and must conform to the standards and requirements stated in the Manuals or otherwise.

You must obtain our prior approval of all advertising, marketing and promotional plans and materials not prepared by us or previously approved by us. We will approve or disapprove the plans and materials within a fifteen (15) day period from receipt. If we do not disapprove of the plan and/or material within the fifteen (15) day period, the plan and/or material is deemed not approved. You may not use any unapproved plans or materials. You must promptly discontinue use of any advertising, marketing or promotional plans or materials, upon notice from us. We may require you to place advertising in specific media, such as print, social media and direct mail, and determine what percentages of your advertising should be allocated to each medium. All use of any of the Marks must meet all System standards. (Franchise Agreement – Section 9(B)).

We may require you to include certain language in your local advertising materials, such as "Franchises Available" and the addresses of our Websites and phone number.

In addition to your Local Advertising Requirement, you may wish to use Social Media Platforms included, but not limited to, Facebook, Twitter, LinkedIn, Instagram, blogs and other networking and sharing sites or Social Media Materials (defined as any material on a Social Media Platform that makes use of our IP, Marks, name, brand, products or your franchise). Use of such Social Media Platforms or Social Media Materials must comply with the restrictions and requirements described below under "Websites". Your expenditures toward Social Media Platforms and Social Media Materials may count towards your required Local Advertising Requirement or Initial Marketing Expenditure. (Franchise Agreement – Section 9(G)).

Advertising Cooperatives

We may designate any geographic area where we or our affiliates operate two or more Franchised Businesses and/or businesses ("Company-Owned Businesses") as a region for an advertising cooperative (a "Cooperative"); or we may approve of the formation of an advertising Cooperative by our franchisees. The members of the Cooperative for any area will consist of all Franchised and Company-Owned Businesses, whether operated by us, our affiliates or our franchisees. We have the right to dissolve, merge or change the structure of the Cooperatives. Each Cooperative will be organized with the purpose of administering advertising programs and developing promotional materials for use in local advertising. If a Cooperative has been established for a geographic area where your Franchised Business is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement, you must become a member of the Cooperative. Cooperatives may have written governing documents, such as by-laws, which we must approve. (Franchise Agreement – Section 9(H)).

Each Cooperative has the right to require its members to make contributions to the Cooperative in amounts determined by majority vote, and failure to make any such payments is a breach of the Franchise Agreement. (Franchise Agreement – Section 9(H)). The payments you make to a Cooperative may be applied toward your Local Advertising Requirement; but if the amount you contribute to a Cooperative is less than the amount you must spend on local advertising, you must still spend the difference locally.
All contributions to the Cooperative will be maintained and administered by us or the Cooperative. The Cooperative will be operated for the collection and expenditure of the Cooperative fees for the purposes outlined above. No advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without obtaining our approval. We may require that the Cooperative prepare periodic financial statements; and if they are prepared, you may review them. The Cooperative will not conduct advertising that is principally a solicitation of franchise sales.

Currently there are no Cooperatives in the System.

Brand Development Fund

We currently operate a Fund to promote the System, Marks and Approved Services. You must contribute to the Brand Fund each week at the same time and in the same manner as the Royalty Fee, in an amount equal to two and one-half percent (2.5%) of Gross Sales. We may adjust the required Brand Fund Contribution upon thirty (30) days' notice, but it will not increase above three percent (3%) of Gross Sales during the initial Term of the Franchise Agreement. (Franchise Agreement – Section 9(E)).

1. The Fund is used for national and regional advertising, publicity, brand development and promotion relating to the System and Approved Services. We, in our sole discretion, determine how the Fund is spent and administered. Without limiting this broad discretion, the Fund may be used to meet any and all costs of maintaining, administering, directing and preparing national and/or regional advertising materials, programs and public relations activities including, without limitation, the cost of (i) preparing and conducting television, radio, magazine, billboard, newspaper, direct mail and other media programs and activities; (ii) preparing promotional brochures, coupons and other marketing materials; (iii) conducting marketing surveys and test marketing; (iv) digital/social media and email marketing efforts; (v) developing, optimizing and maintaining the System website; (vi)

development of customer facing technology; (vii) attendance and participation in industry trade shows; (viii) digital media marketing and social media marketing; and (ix) employing third party agencies, including outside vendors and consultants, to assist therewith.

2. We oversee all advertising, publicity, brand development and promotional programs, with sole control over creative concepts, materials, media used and placement and allocation thereof. We do not warrant that any particular franchisee will benefit directly or pro rata from expenditures by the Fund. We are not required to spend any of your Fund contributions in your Territory.

3. The Fund may be used to meet any and all costs associated with customer retention management ("CRM"), marketing automation platforms, social media marketing platforms, marketing feature development (including in our work order platform), current and future developed marketing media, methods and platforms, development of marketing related dashboards and/or marketing components of such dashboards. All Fund contributions will be maintained in a separate account from the monies of Franchisor. With the exception of costs and expenses (including overhead and salaries) incurred in connection with activities related to the maintenance, direction, or administration of the Fund, and/or Fund activities, Fund contributions will not be used to defray any of our general operating expenses.

4. We may spend all Fund contributions during our fiscal year within which such contributions are made; however, we have no obligation or duty to do so. If excess amounts remain in any Fund at the end of such fiscal year, these excess amounts will roll over into the Fund for the following fiscal year. Fund contributions are not refundable at any time, including upon termination or expiration of the Franchise Agreement.

5. We have the right to suspend or terminate the Fund at any time.

6. We may not use Fund contributions principally to develop materials and programs to solicit franchisees. However, media, materials and programs prepared using Fund contributions may describe the franchise program, reference the availability of franchises and related information and process franchise leads.

7. We may structure the Fund's organization and administration in any way we determine. We may organize and reorganize the Fund into a separate entity, as we deem appropriate, and we may transfer all Fund contributions and assets to the entity. We may require you to pay the Fund contributions directly to the entity.

8. If you submit a written request to us on or before March 31 of a given calendar year, we will provide you with an unaudited accounting of the operation of the Fund (which may be prepared internally) for the immediately preceding calendar year within 30 days following the completion of such accounting and in no event, no sooner than 120 days after our fiscal year end. The cost of the accounting and any accompanying statement will be paid out of Fund contributions. We retain the right to have the Fund reviewed or audited and reported on, at the expense of the Fund, by an independent certified public accountant selected by us, but we are under no obligation to do so.

9. The Fund is not a trust and we have no fiduciary duty to you in administering the Fund.

10. Our affiliate-owned business is not contractually required to contribute to the Fund on the same basis as our franchisees, however, as of the issuance date of this Disclosure Document, it does contribute to the Fund on the same basis as our franchisees. If we or our affiliates open and operate additional company-owned or affiliate-owned JunkStart® businesses in the future, we do not anticipate contractually requiring these businesses to contribute to the Fund on the same basis as System franchisees, but we anticipate they will voluntarily do so.

During the fiscal year ended December 31, 2025, we did not collect nor expend any Fund contributions.

Advisory Council

We have not formed a Franchise Advisory Council, however we reserve the right to do so in the future. If established, we expect that the Advisory Council will not have decision making authority or the authority to establish or modify System policies. We have the sole right to form, change, merge and dissolve the FAC at any time. (Franchise Agreement - Section 9(F))

Other Advertising Information

We are not obligated to maintain any advertising program or spend any amount on advertising or marketing in your Territory.

Revenue Center

During the term of the Franchise Agreement, you must pay us or our affiliate a Revenue Center Fee equal to five and one-half percent (5.5%) of Gross Sales to operate and to maintain the Revenue Center. The Revenue Center receives incoming phone and Internet orders, which it then dispatches to the appropriate Franchised Business or company or affiliate-owned outlet. We may require you to acquire and maintain a dedicated business telephone line, and if required, that you transfer the telephone number to us upon termination or expiration of your Franchise. If you use any other telephone to transact business associated with your Franchised Business, you may also be required to transfer that telephone number to us upon termination or expiration of your Franchise Agreement. You must sign the Conditional Assignment of Telephone/Facsimile Numbers and Domain Names Agreement attached to the Franchise Agreement as Exhibit F, assigning us all rights to your telephone numbers, facsimile numbers (if any) and domain names used in connection with the operation of the Franchised Business upon termination or expiration of the Franchise Agreement. (Franchise Agreement – Section 5(R)).

E. <u>Computer System</u>

You must purchase or lease a computer system, including hardware and software we specify, for your Franchised Business. The computer system you must purchase or lease currently includes the following hardware: a desktop or laptop, tablet, printer, scanner, and a smartphone for each vehicle you operate. Your smartphone must be able to send and receive emails and browse the Internet. The system you select must be approved by us, and it must be compatible with our computer system. You must have a high-speed internet connection for your computer system and you must make sure that we have independent electronic access to the data stored in your computer system. You may purchase your computer system from any supplier, unless we designate a specific approved supplier. You must provide us with an independent login and password for your accounting software that has accountancy level privileges and grants us independent access to the reports generated. (Franchise Agreement – Section 10(C).

We anticipate the initial cost of your computer system will be between $1,000 and $3,500. If you already own computer and communications equipment that meet our specifications, your cost may be less. We do not require you to have a maintenance contract for your computer system, but we strongly suggest that you do. (Franchise Agreement – Section 6(L)).

You must ensure we have independent access to your sales reporting software and point of sale system at all times. We reserve the right to obtain access to your computer system in the future, at your expense. If we obtain such access, we will have the right to access and retrieve data from your computer system, including data relating to your customers, Gross Sales, and pending and fulfilled orders. Any data related to the Franchised Business that we access from your computer will become our property. We have the right to share the information relating to your customers, Gross Sales, orders and services to other franchisees or third parties. (Franchise Agreement – Sections 6(Q) and (U)).

You must upgrade the computer system, and/or obtain service and support, as we require or deem necessary. There are no contractual limitations on the frequency and cost of your obligation to obtain maintenance, updates or upgrades. We are not obligated to reimburse you for these costs. We will not provide you with any maintenance updates or upgrades for your computer system. (Franchise Agreement – Section 6(L)).

F. Website and Internet Use

You will not have the right to update, upgrade, amend or host the Websites. You may suggest changes to the webpage designated for your Franchised Business with items of news and events that we may include on your webpage. The Websites will contain information on the services provided by the System. We reserve the right to establish an e-commerce platform on the Website and require you to participate with any such program. The Websites may also contain information on the awards and achievements of us and our affiliates. The Websites and their content are updated based upon our judgment of what is appropriate. We may restrict, limit, control or designate nearly every aspect of your use of websites, the Internet, intranets, worldwide web home pages or e-mail, and require you to participate in a centralized website. Neither you, nor any of your Owners or employees, are permitted to use an e-mail address that is not associated with our www.junkstart.com URL for your Franchised Business. (Franchise Agreement Sections 5J, 7(J) and Section 9G)). We may permit you to use an "@junkstart.com" email address, subject to your compliance with our guidelines and specifications (which may be set forth in the Manuals or other written communications), including the restriction that you only use the email address for business purposes and that you include a notation in the automated signature line of your @junkstart email address indicating that your franchised business is independently owned and operated. All @junkstart email addresses are our sole property.

You may not establish any website, blog, social media account, email distribution list, or other Internet-based presence that uses or displays any of our IP without our prior written consent. For certain websites, including, but not limited to, Facebook, Instagram, Yelp and other such mediums, currently in existence or developed in the future, we are to have primary administrative rights for your Franchise. We will then provide you with subordinate administrative access and guidelines for your use of such mediums, so that you may promote your business locally. We may request that you turn over all passwords to any social media websites or similar internet-based mediums immediately upon creation. Upon termination or expiration of the Franchise Agreement, we will remove your administrative access, and we retain ownership and control of all content created during the franchise term. (Franchise Agreement Section 9(G))

G. Training

We will provide initial pre-opening training prior to the opening of your Franchised Business ("Initial Training"). Certain portions of Initial Training may be provided by Franchisor remotely via telephone calls, webinars or other online methods. Other portions of Initial Training may require attendance at Franchisor's headquarters in San Antonio, Texas, at one of our affiliate's locations or another facility designated by us for a period that typically lasts approximately three (3) to five (5) business days. Our training program is mandatory for all franchisees' Operating Principals, and we may require that your Salesperson (defined below in Item 15) attend the training program. We may modify any aspect of our training program to accommodate the needs or experience of any individual trainee. We provide instructors and training materials for your Operating Principal and up to one (1) other Owner or manager, but you must pay for all other expenses. You must pay us a non-refundable initial training fee (the "Initial Training Fee") of $7,500 when you sign the Franchise Agreement. If you request additional training during the term, including on-site assistance in excess of the pre-opening on-site assistance we provide as part of the Initial Training Fee, you must pay us our then-current additional training fee as described in Item 6. You are responsible for all expenses incurred in connection with initial and additional training, including travel, lodging, meals and applicable wages. You must complete Initial Training to our satisfaction at least two (2) weeks prior to opening the Franchised Business. Failure to do so will give us the right to terminate your Franchise Agreement. (Franchise Agreement – Section 5(A)).

The materials we use in our training program include the Manuals, hand-outs and other materials we see as beneficial to our franchisees. Our current training program is described below.

INITIAL TRAINING PROGRAM

Subject	Classroom/ Online Training Hours	On-the-Job/ Field Training Hours	Location
People Recruiting; Onboarding; Training; Personality; HR; Roles	9	--	Remotely via Learning Management System (LMS), and at our designated training location in San Antonio, Texas, or another training location we designate
Operations	6	12	Remotely via LMS, at our designated training location in San Antonio, Texas, and

Subject	Classroom/ Online Training Hours	On-the-Job/ Field Training Hours	Location
Scheduling; Truck Team; Software; Truck Maintenance; Safety; Billing; Accounts Receivable			at your Franchised Business.
Clients Residential and Commercial Sales; Estimates; Consultations; Agreements; Retention	6	0	Our designated training location in San Antonio, Texas, or another training location we designate
Owning and Growing a Business Our Story; Culture; Mission, Vision, and Values; Financials; KPIs; Meetings; Communication; Goal-Setting; CRM; Marketing	4	0	Our designated training location in San Antonio, Texas, or another training location we designate
Additional Miscellaneous Training	0	4	Remotely, via LMS
TOTAL	**25**	**16**	

The Initial Training Program is currently supervised by our CEO and Founder, Daniel McCarty, who has been with us and our affiliates since our inception and who has more than 5 years of experience in the subjects covered in the Initial Training Program. Before we approve or schedule you (or any of your initial personnel) to attend any portion of the Initial Training Program, you may be required to: (i) submit, and obtain our approval of your Grand Opening Marketing plan for the Franchised Business; (ii) demonstrate that you have pre-paid all amounts in connection with the Grand Opening Marketing plan or are in a position to do so in the near future; (iii) undertake all steps to establish the EFT Account to use with your Franchised Business, including ensuring that both we and our designee has all authorizations to access this account; (iv) demonstrate that you have all required insurance policies in place and that these policies name us and our designees as additional insureds; and (v) provide us with completed and signed copies of all exhibits to your Franchise Agreement. (Franchise Agreement, Section 6(M)).

We may amend or modify any portion of the contents of the initial training program.

We will hold our training program on an "as-needed" basis, based on new franchisees in the System and the number of Franchised Business openings. Training will be conducted under the direction of a trainer with at least one (1) year of relevant industry experience in the subjects taught.

We may require your Operating Principal to attend additional, periodic or refresher training, but we do not anticipate doing so in the near future. There is no charge for mandatory additional training unless it is required as a result of your breach of the Franchise Agreement or System standards, upon renewal of the Franchise Agreement, or upon a change in your Operating Principal. You may request additional training at our then-current additional training fee, plus expenses, including travel, lodging, meals and applicable wages. See Item 6 for further details on the Additional Training Fee. (Franchise Agreement – Section 5I).

On-Site Assistance

Once you and your Operating Principal have completed the components of our Initial Training Program that take place at our designated training location, we will provide you with up to two (2) days of on-site assistance at your Franchised Business. This training provides additional on-the-job instruction around the time you initially launch operations of your Franchised Business. Our current on-site assistance fee is $750 per trainer per day. This fee is not paid in connection with up to two (2) days of on-site assistance we will provide at your request around the time you open your Franchised Business. The expenses you must reimburse us include travel, lodging and meals. You may request on-site training or assistance, or we may require it as a result of your breach of the Franchise Agreement or System standards, upon renewal of the Franchise Agreement, or upon a change in your Operating Principal at our per diem cost per trainer plus expenses. (Franchise Agreement – Section 5(B)).

ITEM 12
TERRITORY

Territory; Subterritories

You will receive a territory (the "Territory") comprised of five (5) subterritories (each a "Subterritory"). Each Subterritory will consist of approximately between 60,000 to 90,000 people. The number of people in your Subterritories (and in your Territory) will be determined by the most recent figures available from the United States Census Bureau at the time you execute the Franchise Agreement, or comparable published demographic data, and by metropolitan or statistical boundaries, street boundaries, zip codes or housing subdivisions, or other criteria we choose. You are not permitted to service customers located outside of your Territory unless you obtain our prior written consent, which may be granted or withheld in our sole and absolute discretion, and which may be conditioned upon your execution of designated agreements and/or acknowledgments.

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

For so long as you are in compliance with the terms of your Franchise Agreement, we will not establish any other Franchised or Company-Owned Business in your Territory under the Marks. We may establish alternate channels of distribution selling similar services and products, including e-commerce, Internet, mail order or catalogs. We are not required to pay you any compensation for soliciting or accepting orders inside your territory obtained through these alternative channels of distribution. Although at this time we have no plans to establish other franchises or company-owned or other channels of distribution selling or leasing similar products or services under a different trademark, we expressly reserve the right to do so. There are no geographic restrictions on soliciting or advertising for customers in your Territory. You may not: (i) solicit or advertise outside of your Territory without first securing our prior written consent, which may be granted or withheld in our sole and absolute discretion, and which may be conditioned upon your execution of designated agreements and/or acknowledgments; (ii) solicit or advertise on the Internet without our consent; or

(iii) service any customer located outside of your Territory without obtaining our prior written consent, which may be granted or withheld in our sole and absolute discretion, and which may be conditioned upon your execution of designated agreements and/or acknowledgments.

You will operate from one site located in your Territory and you may not relocate the Franchised Business without our prior written consent, which we will not unreasonably withhold, provided you secure an alternate location for the Franchised Business within the Territory. If you can no longer use the location due to circumstances beyond your control, including unreasonable lease terms or destruction of the premises, we will not unreasonably withhold our written consent to relocate.

You may not market your Franchised Business, solicit customers, provide services or offer or sell products outside of your Territory, except as otherwise provided in this Item 12.

Multi-Territory Operation

With our prior approval, you may operate your Franchised Business in multiple Territories from the same approved location. If you choose to open and operate from additional premises in additional Territories, then we must approve the location of each premises from which you will operate the Franchised Business. If you fail to pay to us the applicable Minimum Royalty with respect to any one (1) or more of the Territories in which you are authorized to operate pursuant to the Franchise Agreement(s), such failure to pay constitutes a material default of the Franchise Agreement(s), which, if uncured, will entitle us to terminate the Franchise Agreement(s) and any territorial protections afforded by the Franchise Agreement(s). Otherwise, we will not modify the size of your Territories except by mutual agreement of the parties in a separate writing.

We may require you to obtain and operate additional approved vehicles as a condition of approving additional Territories, expansion rights, renewal rights, or continued development rights. If you add one or more Territories during the term of your Franchise Agreement, a new or updated vehicle development schedule will be established, and if you renew, we may establish updated vehicle requirements based on our then-current standards, your Territory count, and the needs of the business. If you fail to obtain, maintain, or operate the required number of approved vehicles for your Territories, we may require a corrective action plan and/or provide a temporary cure period, and our potential remedies include limiting your right to market in one or more Territories, reducing your Territory rights, modifying your Territory boundaries, terminating your rights to one or more Territories, or exercising other remedies available under the Franchise Agreement.

Reservation of Rights

Your rights under the Franchise Agreement do not include: (i) any right to offer any products or service via e-commerce; (ii) any right to establish an independent website or establish a URL incorporating the Proprietary Marks or any variation thereof; (iii) any right to sell merchandise via wholesale; (iv) any right to distribute, market, or implement our products and services in any channel of distribution not specifically identified in this Agreement; (v) the right to sub-license the franchise business in any fashion; or (vi) the right to sell your Territory, independent of your entire Franchised Business, to another person or franchisee, without our written permission.

You expressly understand and agree that we and our affiliates shall have the right to: (i) own and operate franchised businesses at any location(s) outside of the Territory under the Proprietary Marks, or to license others the right to own and operate a Franchised Business at any location(s) outside of the Territory under the Proprietary Marks and System; (ii) the right to own and operate businesses under different marks at any location(s) inside or outside of your Territory, or license to others the right to own and operate such businesses, under different marks at any location(s) inside or outside of your Territory (such businesses will not primarily provide the Approved Services); (iii) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts, or related items, or in alternative channels of distribution; and (iv) use the Proprietary Marks and System, and license others to use the Marks and System to engage in any other activities not expressly prohibited in this Agreement. You do not have any of the foregoing rights under your Franchise Agreement, and we are not required to provide you any compensation for any of these activities.

Alternative Distribution Channels

Except as explicitly stated below, we retain the right to sell services or products under the Marks within and outside your Territory, through any method of distribution other than a dedicated Franchised or Company-Owned Business under the Marks, including sales through channels of distribution such as the Internet, retail or wholesale stores, catalog sales, telemarketing or other direct marketing sales (together, "Alternative Channels of Distribution"). You may not use Alternative Channels of Distribution to make sales outside or inside your Territory and you will not receive any compensation for our sales through Alternative Channels of Distribution.

Key Accounts

We reserve the right (for ourselves and our affiliates), to directly negotiate and enter into and/or service national or regional account contracts or strategic alliances or joint ventures with businesses that have locations in two (2) or more territories or multiple locations in your Territory (together, "Key Accounts"). We reserve the right to indirectly establish Key Accounts in your Territory, regardless of whether you serviced the customer in the past. As long as you are not in breach of the Franchise Agreement, and if permitted by the Key Account, you will be granted the option to service the locations of these Key Accounts in your Territory; provided that you (a) do so under the terms and conditions (including pricing) of the contract with the Key Account; (b) participate in any and all promotional requirements designated by the Key Account; (c) comply with our specifications relating to servicing of all such Key Accounts; and (d) enter into our then-current Key Account Service Level Agreement, which may require payment of additional fees to us or our designee. If you do not meet these requirements at any time, we may revoke your permission to service the Key Account. If your permission to service the Key Account is revoked, or if you choose not to service the Key Account, we may service the Key Account directly, or license or permit a third party, including another franchisee, to service the Key Account in your Territory, in which case, you will not be entitled to any compensation for such services.

Revenue Center

The Websites and Revenue Center will receive inquiries from potential customers for service and will schedule jobs for you to provide service to potential customers, if these potential customers are located within your Territory. All jobs must be scheduled through our Revenue Center, the Websites or through the use of our scheduling software. In the event that you are unable to service a potential customer, we reserve the right for other franchisees and company or affiliate-owned outlets to provide service for that job only.

Additional Disclosures

The Franchise Agreement does not provide you with any right or option to open and operate additional Franchised Businesses. You must sign a separate Franchise Agreement for each Territory in which you are awarded the right to operate the Franchised Business. You must meet our then-current qualifications for new franchises, as set forth in our then-current Franchise Agreement, to qualify for additional businesses.

We have not established another Franchised Business, company- or affiliate-owned business, or distribution channel that sells or leases similar products or services under different trademarks than those contained in this Disclosure Document.

Neither we nor our affiliates have established, or presently intend to establish, any other franchised or company-owned businesses that offer junk removal services under a different trade name or trademark. However, we reserve the right to do so in the future.

ITEM 13
TRADEMARKS

We grant you the right to operate your Franchised Business under our current proprietary marks ("Marks"). Currently, we grant you the right to offer the Principal Approved Services under the name "JunkStart." We own or have the right to license the Marks listed below and the rights to use the Marks and sublicense them to our franchisees.

The following are descriptions of the Marks. We or our affiliates have registered the following Marks with the United States Patent and Trademark Office Principal Register ("USPTO").

Mark	Registration Number	Registration Date	Register
JUNKSTART	7389315	May 14, 2024	Principal
	8193468	March 31, 2026	Principal
	8193479	March 31, 2026	Principal

License of the Marks

There are no current agreements that significantly limit our rights to use or sub-license the use of the Marks in a manner material to your Franchise. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, cancellation or opposition proceedings or material litigation, involving the Marks. All required affidavits have been filed.

Junk Start IP, LLC owns the Intellectual Property, including the Marks, and granted us a perpetual royalty-free license to use and sublicense the use of the Marks to our System franchisees pursuant to an intellectual property license agreement entered into in June 2025. The Marks are used to promote, market and otherwise administer the System, and to sublicense each franchisee that has entered into a Franchise Agreement with us the right to use the Marks in connection with the operation of the franchised business, provided the nature and quality of the services rendered under the Marks meet our quality control standards and specifications, as communicated to you.

Use of the Marks

You may not use the Marks as part of your corporate or legal name. We must approve your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials "D/B/A" and the business name "JunkStart" or "JunkStart of (Territory name)". You must promptly register at the office as provided for by the laws of the state in which your Franchised Business is located and/or if required at the office of the county in which your Franchised Business is located, as doing business under such assumed business name. You cannot use any Mark in any other manner we have not expressly authorized in writing.

You cannot register any of the Marks, any abbreviation, acronym, variation, or any name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue use of a website using the Marks. Except as we may authorize in writing in advance, you cannot: (i) link or frame our Websites; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; and (iii) create or register any Internet domain name in connection with your Franchise.

You may only use the Marks that we designate, and only in the manner we authorize. Any goodwill associated with the Marks, including any goodwill that might have arisen through your activities, inures directly and exclusively to our benefit. You may use the Marks only for the operation of the Franchised Business or in advertising for the Franchised Business. You must use all Marks without prefix or suffix and in conjunction with the symbols "SM," "®," "S" or "®," "™" as instructed by us.

Infringements

In the event of any apparent infringement, challenge or claim regarding your use of any Mark or IP, you must notify us immediately; and you may not communicate with any person other than us, our attorneys and your attorneys. We may take any action that we deem appropriate and we have the right to control exclusively any litigation, PTO proceeding or any other administrative proceeding that arises. You must sign any instruments and documents, provide assistance and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in the Marks or IP. The Franchise Agreement requires us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark or IP licensed to you by us, or if the proceeding is resolved unfavorably to you provided that you have used a Mark or IP in compliance with the Franchise Agreement.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of our principal trademarks in any state; however, a federal trademark registration does not necessarily protect the use of the concerned mark against a prior user in a given relevant territory. Therefore, before entering into the Franchise Agreement, you should make every effort to ascertain that there are no existing uses of the Marks or confusingly similar marks being used in the area where you wish to do business. You should immediately notify us of any confusingly similar marks you discover.

Changes to the Mark

If we determine that it becomes advisable for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. You will pay the expense of changing your Franchised Business signage, including vehicle signage. Further, we are not obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent or copyright, except that you can use the proprietary information in the Manuals and our affiliate's products (described in Item 11 of this disclosure document).

As of the issuance date of this disclosure document, our affiliate has filed for two provisional utility patents (Serial Nos. 63/866,529 and 64/032,208, "Vehicle On-Board Weighing System and Related Apparatuses and Methods," dated August 19, 2025), which remain pending with the U.S. Patent and Trademark Office.
Although we have not filed an application for a copyright registration for the Manuals or advertising materials, we claim common law copyright in these materials and all other proprietary materials that we and/or our principals develop for use with the System or a Franchised Business. The Manuals are confidential, and we require you to treat it as such. You must tell us when you learn about any unauthorized use of the Manuals. We have not filed a patent on our proprietary products.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware of any unauthorized third party using our copyrighted materials, we ask that you notify us immediately. We may revise our System and any of our copyrighted materials and may require that you stop using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

During the term of the Franchise Agreement, you will receive information that we consider to be trade secrets and confidential information. You may not, during the term of the Franchise Agreement or any time after that, communicate, divulge, or use for the benefit of any other party these trade secrets, copyrighted materials, methods and other techniques and know-how concerning the operation of the Franchised Business (the "Confidential Information"). You may only divulge the Confidential Information to your employees who must have access to it in order to perform their job duties.

The Franchise Agreement provides that if you, your employees, or principals develop any inventions, discoveries, and improvements that are in any way related to the establishment or operation of the Franchised Business (collectively, the "Improvements"), you must disclose those Improvements to us. All such Improvements will automatically be owned by us without compensation to you (including all intellectual property rights therein). Whenever requested to do so by us, you will execute any and all applications, assignments, or other instruments that we deem necessary to apply for intellectual property protection or to otherwise protect our interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that we cannot automatically own certain of the Improvements that may be developed, then you hereby agree to grant us a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.

We may revise any of our copyrighted materials at our discretion and may require that you stop using any outdated item or portion of the Manuals.

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

We do not require you to personally supervise and manage the day-to-day operation of your Franchised Business, although we recommend that you do so. Although you are not obligated to manage the Franchised Business, you must be fully aware of the goings-on of the Franchised Business and must devote sufficient time, attention, and best efforts to the leadership, promotion, development, and management of the Franchised Business. You (or your Operating Principal), and certain persons affiliated with you, are required to attend and successfully complete our training program (described more fully in Item 11) and certain other programs that we designate, provided by third parties. All training must be completed prior to opening the Franchised Business.

Our brand standards require each Franchised Business to have both an operations lead ("Operations Lead") and a sales lead ("Salesperson"). The Operations Lead typically oversees the operational and administrative components of running the business, while the Salesperson focuses primarily on outside sales, including commercial sales. You may serve as the Operations Lead and/or the Salesperson yourself, or you may engage personnel to perform either or both of these roles. We may require that both you and your Operations Lead/Salesperson attend and complete our initial training program prior to opening your Franchised Business.

If you appoint a "Designated Manager" to handle the day-to-day management of the Franchised Business, the Designated Manager must either have an ownership interest in the Franchised Business or, if the Designated Manager does not have an ownership interest, you must obtain our consent to the appointment. The Designated Manager must complete our Initial Training Program and all other training courses that we require. The Designated Manager must devote his or her full-time best efforts to the operation of the Franchised Business and may not have any interest or business relationship with any competitive business. Any replacement Designated Manager must also complete our Initial Training Program and be approved by us before assuming any management responsibility related to your Franchised Business. Any of your personnel who has access to our Confidential Information and/or training must sign a Confidentiality and Non-Compete Agreement in a form substantially similar to the form attached as Exhibit E to your Franchise Agreement.

Each person owning an interest in the Franchisee (if an entity) must sign a personal guarantee (Exhibit B to the Franchise Agreement attached to this Disclosure Document) assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

In order to protect our reputation and goodwill and to maintain our high standards of operation under our Proprietary Marks, you must conduct your business in accordance with the Manuals and policies. You must use the premises solely for the operation of the Franchised Business and must keep the premises open and in normal operation for the hours and days we may specify in the Manuals or may otherwise approve in writing.

You may only offer and sell the products and services as specified in this Disclosure Document, the Franchise Agreement, and the Manuals, as they may be supplemented periodically. You may not offer or sell any products or services that we have not specifically authorized. The non-competition provisions in the Franchise Agreement do not permit you to have ownership or interest in a competing business, including any operation (formal or otherwise) of a business that offers junk removal services or products or services provided by the Franchised Business. Any and all services you provide to your customers must be provided in accordance with the standards established by us.

You are not limited in the customers you may serve from your Franchised Business, but you may not serve customers outside of the Territory without securing our prior written consent, which may be granted or withheld in our sole and absolute discretion. You are not permitted to distribute approved products on a non-retail or wholesale basis without our prior written consent.

Before any one (1) of your personnel or Designated Manager may engage in providing any of the Approved Services, that individual must complete the Initial Training Program.

We do not impose any other restrictions in the Franchise Agreement as to the customers to whom you may sell. We reserve the right to expand and modify the Approved Products and/or Approved Services that you may offer and provide through your Franchised Business (through limited trials or otherwise). There is no limit on our right to request expansion of the goods, services and products offered and you will be required to offer new products and services as they are introduced. We may also discontinue any products or services that we previously approved for your Franchised Business to offer and sell upon providing you with written notice; and you must stop offering any product or service we discontinue immediately upon notice from us.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

A. Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Term of franchise	Section 3(A)	The initial term is for ten (10) years commencing on the Effective Date of your Franchise Agreement.
b. Renewal or extension of the term	Section 3(B)	You have the right to be considered for one (1) additional (and consecutive) 10-year term.
c. Requirements for franchisee to renew or extend	Section 3(B)	You must provide a request to renew not less than six (6) months and not more than twelve (12) months before the end of the then-current term; You must not have (i) any uncured material defaults under the Franchise Agreement or any other agreement between you and us (or the landlord of the Premises) either at the time of your renewal request or at the time of renewal, and (ii) received more than three (3) separate written notices of material default from us in the 12-month period preceding the renewal request date or renewal date; You must execute our then-current form of Franchise Agreement (which may contain materially different terms and conditions) within 30 days of the date you are provided with the form of franchise agreement; You must pay a renewal fee; At our option, you must attend a refresher training course at least 30 days before the expiration of the then-current term; You must sign a general release; You must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional and other operational and training programs recommended or provided by us to our satisfaction; and you must re-image, renovate, refurbish and modernize the Approved Vehicles and Franchised Business within the time frame we designate.
d. Termination by franchisee	Not Applicable (subject to state law)	Not applicable (subject to state law)
e. Termination by franchisor without cause	Not Applicable	Not applicable.
f. Termination by franchisor with cause	Section 15	We may terminate your Franchise Agreement with cause as described in (g)-(h) of this Item 17 Chart.

Provision	Section in Franchise Agreement	Summary
g. “Cause” defined – curable defaults	Section 15(C)	Except as listed in (h) of this Item 17 Chart, you must cure all defaults and violations of any provision of your Franchise Agreement or any other agreement with us or our affiliates within 30 days of being provided with notice of your default(s).
h. “Cause” defined – non-curable defaults	Section 15(A) Section 15(B)	Your Franchise Agreement may be terminated automatically and without notice if: (i) you become insolvent or make a general assignment for the benefit of creditors; (ii) a bankruptcy petition is filed by or against you and not dismissed within 30 days; (iii) a bill in equity or appointment of receivership is filed in connection with you or the Franchised Business; (iv) a receiver or custodian of your assets of property is appointed; (v) a final judgment in the amount of $10,000 or more is entered against you and not satisfied within 60 days (or longer period if we consent); and (vi) you attempt to make an invalid transfer in violation of Section 13 of your Franchise Agreement. Your Franchise Agreement may be terminated with notice and without an opportunity to cure if: (i) you commit any fraud or misrepresentation in the establishment or operation of the Franchised Business; (ii) you fail to attend and complete the Initial Training Program; (iii) you receive 3 or more notices to cure the same or similar defaults within any 12-month period; (iv) you violate the in-term restrictive covenant; (v) you misuse the Property Marks or Confidential Information; (vi) you misuse any proprietary software; (vii) you default under any other agreement with us, our affiliate(s) or any Approved Supplier and the default is not cured according to the agreement; (viii) you default under your lease and do not cure within the time period prescribed in the lease or if you otherwise lose your right to possess and control the Premises to operate the

Provision	Section in Franchise Agreement	Summary
		Franchised Business at any time during the term of the Franchise Agreement; (ix) you fail to open and commence operations of the Franchised Business in the time required; (x) you fail to cure any of the following violations within ten (10) days of notification: (a) failure to offer only the Approved Products and Approved Services we authorize at the Franchised Business; (b) any purchase of any non-approved item or service for use in connection with the Franchised Business; (c) failure to purchase any Required Item that we designate as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier; (xi) you abandon the Franchised Business; (xii) you fail to provide us with access or otherwise block our access to your computer system; (xiii) you fail to pay us, our affiliates or any approved supplier or client any amount due within 10 days of notification from us; (xiv) you fail, for a period of 15 days after notice of non-compliance, to comply with any law or regulation; (xv) you fail, for a period of 10 days after notice, to obtain any license, certification, permit or approval necessary to operate the Franchised Business; (xvi) you, or any person affiliated with you, or any principal officer or employee, or any of your owners is convicted of a felony or other offense that is reasonably likely to adversely affect the System, any unit, the Marks or the goodwill; (xvii) you take for your own personal use, any assets or property of the Franchised Business, (xviii) there are insufficient funds in your account to cover any payment due to us or an affiliate three or more times within any 12 month period; (xix) you commit repeated violations of any health, zoning, sanitation or other regulatory law, standard or practice or if you operate the business in a manner that presents a health or safety concern; (xx) you fail to pay the Minimum Royalty for any year during the Term (if applicable); (xxii) your or your operating principal's driver's license is revoked; (xxiii) you have two or more unexcused absences from any mandatory seminar, meeting or conference; (xxiv) you perform the Approved Services in the Territory of another System franchisee in an unauthorized manner or without our written approval, and you do not pay the other System franchisee after 10 days' notice, the full amount

Provision	Section in Franchise Agreement	Summary
		received for the work performed in its territory; (xxv) you, on three or more occasions, fail to comply with standards and specifications set forth in the Manuals during any 18 month period, or if you receive 2 or more defaults within any 12 month period; or (xxvi) fail to comply with the Vehicle Development Schedule.
i. Franchisee's obligations on termination/non-renewal	Section 16	Upon termination or early expiration of the Franchise Agreement, your obligations include: (i) stop ownership and operation of the Franchised Business, and stop doing business in a manner that may give the general public the impression that you are operating a Franchised Business; (ii) return of the Manuals or any other Confidential Information to us; (iii) assign to us all client and property lists, approved services contracts, telephone/fax numbers and domain names, including any cell phone numbers utilized in connection with the Franchised Business; (iv) stop using the Proprietary Marks and trade dress; (v) comply with all post-term restrictive covenants; (vi) remove all trade dress from the Approved Vehicles and/or paint the Approved Vehicles black; (vii) pay us and our Approved Suppliers any amounts owed; (viii) provide us with written confirmation of compliance with these obligations within 30 days; (ix) upon our request, cooperate in assigning to us or to a person or entity designated by us any and all vendor agreements or sales or service contracts for the Products or the Services with Customers of your Franchise, which will be automatic at our option as a result of the termination or expiration; and (x) cancel or, at our option, assign us all telephone/facsimile numbers and domain names (if permitted) used in connection with the Franchised Business (as well as all related listings) to us or our designee.
j. Assignment of contract by Franchisor	Section 13(G)	No restriction on our right to assign.
k. "Transfer" by Franchisee - defined	Section 13(A) and Section 13(C)	Includes any transfer of Franchise Agreement, assets of the Franchised Business, or ownership change in the franchisee entity (as the Franchisee).
l. Franchisor's approval of transfer by Franchisee	Section 13(E)	We must approve all transfers, but we will not unreasonably withhold our approval if you meet our conditions.

Provision	Section in Franchise Agreement	Summary
m. Conditions for Franchisor's approval of transfer	Section 13(E)	We have the right to impose the following conditions on any transfer by you: (i) all of your accrued monetary obligations under the Franchise Agreement have been satisfied; (ii) you cure all existing defaults under the Franchise Agreement; (iii) you and your principals must execute a general release; (iv) you or the transferee provides us with a copy of the executed purchase agreement; (v) the transferee must meet our then-current qualifications and criteria for a new franchisee; (vi) the transferee executes our then-current franchise agreement; (vii) you or the transferee pays us our Transfer Fee; (viii) the transferee satisfactorily completes our Initial Training Program; (ix) you must comply with all post-termination provisions of the Franchise Agreement; (x) the transferee must obtain all permits and licenses required for the continued operation of the Franchised Business; (xi) all applicable lessors consent to the proposed transfer; and (xii) the transfer is made in compliance with all applicable laws.
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 13(D)	If (a) you propose to transfer any of your interest in the Franchise Agreement or Franchised Business or any interest in your lease for the Premises, or (b) your owners propose to transfer any interest in you (if you are an entity), except in certain circumstances (death/disability or transfer from individual franchisee to business entity), then you shall first offer to sell such interest to us on the same terms and conditions as offered by such third party. If we do not exercise this right within thirty (30) days, then you will have 60 days to effectuate the transfer to the third party that made the offer on those exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o. Franchisor's option to purchase Franchisee's business	Section 13 (H) and Section 16(I)	Upon the expiration or termination of the Franchise Agreement, we have the option (but not the obligation) to purchase the Franchised Business at fair market value. Upon expiration or termination of the Franchise Agreement, we have the option, but not the obligation, to purchase your assets at fair market value.

Provision	Section in Franchise Agreement	Summary
p. Franchisee's death or disability	Section 13(B)	You will have a period of 90 days to find a suitable legal representative that we approve to continue the operation of your Franchised Business, provided that this person completes our Initial Training Program and signs our then-current franchise agreement for the remainder of your term. During this 90-day period, we may step in and operate the Franchised Business on your behalf and pay ourselves a reasonable amount to reimburse our costs associated with this operation. We are not obligated to step in and operate your business during this period.
q. Non-competition covenants during the term of the franchise	Section 14(A)	Neither you, your principals, guarantors, owners or Designated Managers, nor any immediate family member of you, your principals, guarantors, owners or Designated Managers, may: (i) own, operate, or otherwise be involved with Competing Business (as defined in the Franchise Agreement); (ii) divert, or attempt to divert, any prospective customer to a Competing Business.
r. Non-competition covenants after the franchise is terminated or expires	Section 14(B)(1) and Section 14(B)(2) Section 14(B)(2)(b)	For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, nor any immediate family member of you, your principals, guarantors, owners, may own, operate or otherwise be involved with a Competing Business: (i) within the Designated Territory; (ii) within a 60-mile radius of the Designated Territory; (iii) within a 60-mile radius of any franchised business that is open and operating as of the date your Franchise Agreement expires and/or is terminated; or (iv) within a 60-mile radius of any other designated territory that has been granted by us or our affiliates in connection with any franchised business as of the date your Franchise Agreement expires and/or is terminated, regardless of whether a franchised business is open and operating in that territory. These parties are also prohibited from: (i) soliciting business from customers of your former Franchised Business; or (ii) contacting any of our suppliers/vendors for a competitive business purpose.
s. Modification of the agreement	Section 18(D)	Your Franchise Agreement may not be modified, except by writing signed by both parties. With that said,

Provision	Section in Franchise Agreement	Summary
		we may modify the System and Manuals as we deem appropriate.
t. Integration/merger clause	Sections 18(E) and 22	Only the terms of the Franchise Agreement and this Disclosure Document are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 21(B) Section 21(C)	You must first submit all disputes and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally (subject to state law). At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation and arbitration, which will take place at our then-current headquarters (currently, San Antonio, Texas). You must notify us of any potential disputes, and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation (subject to state law).
v. Choice of forum	21(E)	Subject to the other provisions of the Franchise Agreement, all claims and causes of action arising out of the Franchise Agreement must be initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is closest to our then-current headquarters (currently, San Antonio, Texas) or, if appropriate, the United States District Court for the Western District of Texas (subject to state law).
w. Choice of law	Section 21(A)	The Franchise Agreement is governed by the laws of the State of Texas, without reference to this state's conflict of laws principles (subject to state law).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

Historic Financial Performance Representation

This Item 19 presents certain historical financial performance information about our affiliate-owned business during the 2024 and 2025 calendar years (the "Measurement Period").

As of the Issuance Date of this disclosure document, we have one (1) affiliate-owned business (the "Affiliate-Owned Business") that first opened and commenced operating in January 2023 in the San Antonio, Texas area. The Affiliate-Owned Business (a) operates under our Proprietary Marks, (b) offers the same services as our franchisees are and will be authorized to provide, (c) utilized between three (3) and four (4) branded service vehicles to perform services during the Measurement Period, and (d) operated in 20 Subterritories during the Measurement Period.

In October 2024, the Affiliate-Owned Business moved from "volume" pricing (i.e., pricing for services based upon the amount of material to be hauled/removed) to "weight-based" pricing (i.e., pricing for services based upon the weight of the material to be hauled/removed). Our standard franchise offering requires System franchisees to utilize "weight-based" pricing in the operation of Franchised Businesses moving forward.

Part I of this Item 19 discloses a comparison of the total gross revenue, commercial (B2B) revenue, and other disclosed statistics of the Affiliate-Owned Business over (i) calendar years 2024 and 2025 (Table 1(A)); (ii) the first fiscal quarter of each of calendar years 2024 and 2025 (Table 1(B)); (iii) the second fiscal quarter of each of calendar years 2024 and 2025 (Table 1(C)); (iv) the third fiscal quarter of each of calendar years 2024 and 2025 (Table 1(D)); and (v) the fourth fiscal quarter of each of calendar years 2024 and 2025 (Table 1(E)).

Part II of this Item 19 discloses the total Gross Revenue and certain disclosed cost of goods sold (COGS) for the Affiliate-Owned Business during the Measurement Period.

Part III of this Item 19 discloses the total revenue derived by the Affiliate-Owned Business from commercial (B2B) and residential (B2C) accounts during the Measurement Period.

We have not excluded from this Item 19 the financial performance of any additional franchised or corporate- or affiliate-owned businesses.

The financial performance information included in this Item 19 was reported to us by the owners of the Affiliate-Owned Business, and we have not audited this information. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

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PART I

Table 1(A)
Year-Over-Year Comparison of Gross Revenue, Commercial (B2B) Revenue, and Disclosed Statistics Between Calendar Years 2024 and 2025

	2024 (1/1/2024 – 12/31/2024)	**2025 (1/1/2025 – 12/31/2025)**	***% Change***
Gross Revenue	**$618,730**	**$1,212,492**	***96.0%***
Total # of Jobs	**1,383**	**1,995**	***44.3%***
Average Job Size	**$447**	**$608**	***35.8%***
Median Job Size	$307	$411	--
Highest Job Size	$6,878	$30,438	--
Lowest Job Size	$80	$20	--
Gross Margin	**$286,524**	**$799,822**	***179.1%***
Gross Margin %	**46.3%**	**66.0%**	**--**
Total Commercial (B2B) Revenue	**$87,796**	**$614,670**	***600.1%***
Commercial (B2B) Revenue as % of Gross Revenue	14.19%	**50.69%**	***36.5%***
Total # of B2B Jobs	**92**	**752**	***717.4%***
B2B – Average Job Size	**$954**	**$817**	***-14.3%***
B2B – Median Job Size	$633	$561	--
B2B -Highest Job Size	$6,878	$30,438	--
B2B – Lowest Job Size	$122	$57	--
# of Commercial Clients	**17**	**214**	***1,158.8%***
Total Residential Revenue	**$530,934**	**$597,824**	***12.6%***
Total # of B2C Jobs	**1,291**	**1,243**	***-3.7%***
B2C – Average Job Size	**$411**	**$481**	***16.9%***
B2C – Median Job Size	$302	$332	--
B2C – Highest Job Size	$6,370	$6,798	--
B2C – Lowest Job Size	$80	$20	--

Table 1(B)

Year-Over-Year Comparison of Gross Revenue, Commercial (B2B) Revenue, and Disclosed Statistics Between Q1 2024 and Q1 2025

	Q1 2024 (1/1/2024 – 3/31/2024)	**Q1 2025 (1/1/2025 – 3/31/2025)**	***% Change***
Gross Revenue	**$123,982**	**$225,021**	***81.5%***
Total # of Jobs	**262**	**460**	***75.6%***
Average Job Size	**$473**	**$489**	***4.4%***
Median Job Size	$318	$331	--
Highest Job Size	$4,940	$7,487	--
Lowest Job Size	$128	$24	--
Gross Margin	**$53,043**	**$143,955**	***171.4%***
Gross Margin %	**42.8%**	**64.0%**	**--**
Total Commercial (B2B) Revenue	**$11,522**	**$75,945**	***559.1%***
Commercial (B2B) Revenue as % of Gross Revenue	9.29%	33.75%	*24.5%*
Total # of B2B Jobs	**15**	**110**	***633.3%***
B2B – Average Job Size	**$768**	**$690**	***(10.1%)***
B2B – Median Job Size	$698	$499	--
B2B -Highest Job Size	$1,694	$7,487	--
B2B – Lowest Job Size	$198	$78	--
# of Commercial Clients	**1**	**62**	***6,100%***
Total Residential Revenue	**$112,460**	**$149,078**	***32.6%***
Total # of B2C Jobs	**247**	**350**	***41.7%***
B2C – Average Job Size	**$455**	**$426**	***(6.4%)***
B2C – Median Job Size	$318	$309	--
B2C – Highest Job Size	$4,940	$6,618	--
B2C – Lowest Job Size	$128	$24	--

Table 1(C)
Year-Over-Year Comparison of Gross Revenue, Commercial (B2B) Revenue, and Disclosed Statistics Between Q2 2024 and Q2 2025

	Q2 2024 (4/1/2024 – 6/30/2024)	**Q2 2025 (4/1/2025 – 6/30/2025)**	***% Change***
Gross Revenue	**$152,269**	**$313,427**	***105.8%***
Total # of Jobs	**378**	**538**	***42.3%***
Average Job Size	**$403**	**$583**	***45.2%***
Median Job Size	$318	$408	--
Highest Job Size	$3,740	$10,706	--
Lowest Job Size	$80	$85	--
Gross Margin	**$71,707**	**$214,278**	***198.8%***
Gross Margin %	**47.1%**	**68.4%**	**--**
Total Commercial (B2B) Revenue	**$25,558**	**$128,185**	***401.5%***
Commercial (B2B) Revenue as % of Gross Revenue	16.78%	40.90%	*24.1%*
Total # of B2B Jobs	**18**	**145**	***705.6%***
B2B – Average Job Size	**$1,420**	**$884**	***(37.7%)***
B2B – Median Job Size	$613	$619	--
B2B -Highest Job Size	$3,292	$10,706	--
B2B – Lowest Job Size	$198	$89	--
# of Commercial Clients	**6**	**68**	***1,033.3%***
Total Residential Revenue	**$126,711**	**$185,242**	***46.2%***
Total # of B2C Jobs	**360**	**393**	***9.2%***
B2C – Average Job Size	**$352**	**$471**	***33.9%***
B2C – Median Job Size	$318	$353	--
B2C – Highest Job Size	$3,740	$4,509	--
B2C – Lowest Job Size	$80	$85	--

Table 1(D)
Year-Over-Year Comparison of Gross Revenue, Commercial (B2B) Revenue, and Disclosed Statistics Between Q3 2024 and Q3 2025

	Q3 2024 (7/1/2024 – 9/30/2024)	**Q3 2025 (7/1/2025 – 9/30/2025)**	***% Change***
Gross Revenue	**$174,074**	**$359,594**	***106.6%***
Total # of Jobs	**384**	**528**	***37.5%***
Average Job Size	**$453**	**$681**	***50.2%***
Median Job Size	$325	$486	--
Highest Job Size	$5,611	$6,798	--
Lowest Job Size	$100	$78	--
Gross Margin	**$83,225**	**$238,004**	***186.0%***
Gross Margin %	**47.8%**	**66.2%**	
Total Commercial (B2B) Revenue	**$26,661**	**$202,424**	***659.3%***
Commercial (B2B) Revenue as % of Gross Revenue	15.32%	56.29%	*41.0%*
Total # of B2B Jobs	**34**	**254**	***647.1%***
B2B – Average Job Size	**$784**	**$797**	***1.6%***
B2B – Median Job Size	$588	$627	--
B2B -Highest Job Size	$2,224	$5,653	--
B2B – Lowest Job Size	$122	$78	--
# of Commercial Clients	**8**	**111**	**--**
Total Residential Revenue	**$147,413**	**$157,170**	***6.6%***
Total # of B2C Jobs	**350**	**274**	***-21.7%***
B2C – Average Job Size	**$421**	**$574**	***36.2%***
B2C – Median Job Size	$318	$350	--
B2C – Highest Job Size	$5,611	$6,798	--
B2C – Lowest Job Size	$116	$78	--

Table 1(E)
Year-Over-Year Comparison of Gross Revenue, Commercial (B2B) Revenue, and Disclosed Statistics Between Q4 2024 and Q4 2025

	Q4 2024 (10/1/2024 – 12/31/2024)	**Q4 2025 (10/1/2025 – 12/31/2025)**	***% Change***
Gross Revenue	**$168,405**	**$314,450**	***86.7%***
Total # of Jobs	**359**	**469**	***30.6%***
Average Job Size	**$469**	**$670**	***42.9%***
Median Job Size	$266	$427	--
Highest Job Size	$6,878	$30,438	--
Lowest Job Size	$122	$20	--
Gross Margin	**$78,549**	**$203,585**	***159.2%***
Gross Margin %	**46.6%**	**64.7%**	**--**
Total Commercial (B2B) Revenue	**$24,055**	**$208,117**	***765.2%***
Commercial (B2B) Revenue as % of Gross Revenue	14.28%	66.18%	*51.9%*
Total # of B2B Jobs	**25**	**243**	***872.0%***
B2B – Average Job Size	**$962**	**$856**	***-11.0%***
B2B – Median Job Size	$631	$484	--
B2B -Highest Job Size	$6,878	$30,438	--
B2B – Lowest Job Size	$122	$57	--
# of Commercial Clients	**10**	**87**	**--**
Total Residential Revenue	**$144,350**	**$106,334**	***-26.3%***
Total # of B2C Jobs	**334**	**226**	***-32.3%***
B2C – Average Job Size	**$432**	**$471**	***8.9%***
B2C – Median Job Size	$254	$328	--
B2C – Highest Job Size	$6,370	$2,978	--
B2C – Lowest Job Size	$112	$20	--

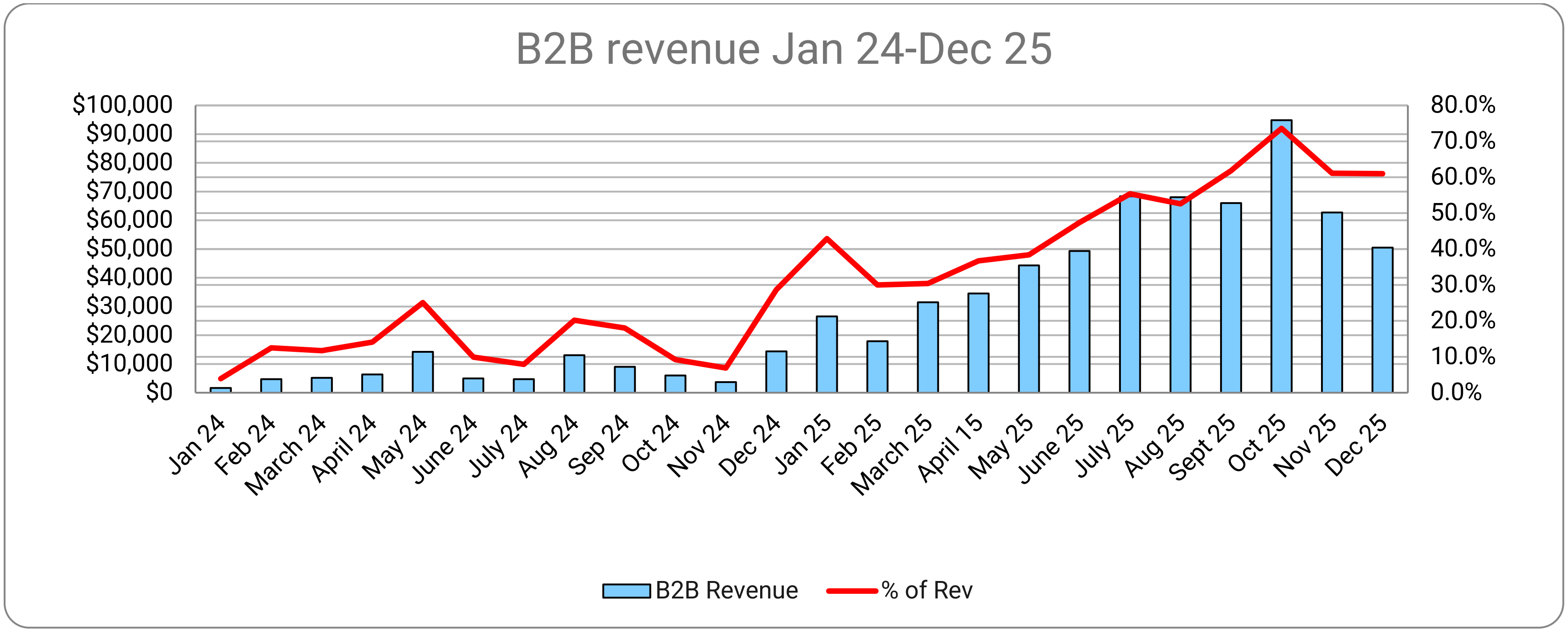
PART II

Gross Revenue and Certain Disclosed and Imputed Expenses of Affiliate-Owned Business During the Measurement Period

	2024 (1/1/2024 – 12/31/2024)		**2025 (1/1/2025 – 12/31/2025)**	
Gross Revenue	**$618,730.19**		**$1,212,492**	
Disclosed Cost of Goods Sold (COGS)				
	Total	**% of Gross Sales**	**Total**	**% of Gross Sales**
Wages	*$217,588.17*	*35.2%*	*$246,099.94*	*20.3%*
Payroll Taxes	*$23,088.32*	*3.7%*	*$28,811.51*	*2.4%*
Insurance (Workers' Comp)	*$7,572.48*	*1.2%*	*$5,588.85*	*0.5%*
Truck Fuel	*$32,731.84*	*5.3%*	*$38,370.79*	*3.2%*
Waste Disposal	*$51,225.07*	*8.3%*	*$93,798.80*	*7.7%*
Total COGS	***$332,205.88***	***53.7%***	***$412,669.89***	***34.0%***
Gross Revenue Less COGS	**$286,524.31**	**46.3%**	**$799,822.11**	**66.0%**
Imputed Fees				
Royalty (Imputed)	*$49,498.42*	*8.0%*	*$96,999.36*	*8.0%*
Brand Fund Contribution (Imputed)	*$15,468.25*	*2.5%*	*$30,312.30*	*2.5%*
Revenue Center (Imputed)	*$34,030.16*	*5.5%*	*$66,687.06*	*5.5%*
Technology Fee (Imputed)	*$7,800.00*	*1.3%*	*$7,800.00*	*0.6%*
Minimum Advertising Spend (Imputed)	*$49,498.42*	*8.0%*	*$96,999.36*	*8.0%*
Total Imputed Fees	*$156,295.25*	*25.26%*	*$298,798.08*	*24.64%*
Gross Revenue Less COGS and Imputed Fees	**$130,229.06**	**21.05%**	**$501,024.03**	**41.32%**

PART III

Commercial (B2B) Revenue of Affiliate-Owned Business During the Measurement Period



	Month	Jan. 2024	Feb. 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024
2024	Total B2B Revenue	$1,644	$4,694	$5,184	$6,355	$14,220	$4,983	$4,694	$13,055	$9,012	$5,974	$3,688	$14,393
	B2B Revenue as % of Gross Revenue	3.9%	12.5%	11.7%	14.1%	25.1%	9.9%	7.9%	20.2%	18%	9.2%	6.9%	28.7%
2025	Month	Jan. 2025	Feb. 2025	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025
	Total B2B Revenue	$26,571	$17,919	$31,455	$34,533	$44,304	$49,349	$68,360	$68,058	$66,006	$94,856	$62,741	$50,520
	B2B Revenue as % of Gross Revenue	42.9%	30.0%	30.4%	36.7%	38.4%	47.4%	55.4%	52.6%	61.8%	73.6%	61.1%	61.0%

<u>Residential (B2C) Revenue of Affiliate-Owned Business During the Measurement Period</u>

	Month	Jan. 2024	Feb. 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024
2024	Total B2C Revenue	$40,510	$32,858	$39,124	$38,716	$42,433	$45,350	$54,724	$51,574	$41,055	$58,961	$49,761	$35,757
	B2C Revenue as % of Gross Revenue	96.1%	87.5%	88.3%	85.9%	74.9%	90.1%	92.1%	79.8%	82.0%	90.8%	93.1%	71.3%
2025	Month	Jan. 2025	Feb. 2025	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025
	Total B2C Revenue	$35,366	$41,811	$72,015	$59,562	$71,071	$54,763	$55,034	$61,330	$40,800	$34,024	$39,945	$32,300
	B2C Revenue as % of Gross Revenue	57.1%	70.0%	69.6%	63.3%	61.6%	52.6%	44.6%	47.4%	38.2%	26.4%	38.9%	39.0%

NOTES TO ITEM 19:

A. **Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

B. Defined Terms

(1) "Gross Revenue" means the total reported income from the sale of all products and items sold through the Affiliate-Owned Business during the Measurement Period. Gross Sales does not include sales tax, nor the value of refunds and discounts.

(2) "Gross Margin," in Part II, means Gross Revenue less the value of Wages, Payroll Taxes, Insurance (Workers Comp), Truck Fuel, and Waste Disposal expenses, as those expenses are defined in Part II of this Item 19, for each applicable time period as indicated.

(3) "Wages," in Part II, means the total expenses incurred by the Affiliate-Owned Business in connection with direct truck team labor during the indicated portion of the Measurement Period. "Wages" does not include manager's salaries, administrative staff salaries, nor any owners' draw.

(4) "Insurance (Workers Comp)," in Part II, means the total amount expended by the Affiliate-Owned Business on workers' compensation insurance during the indicated period. The above figure does not account for all insurance policies required to be obtained and in full force and effect during the Term of the Franchise Agreement.

(5) "Waste Disposal" means the total costs expended by the Affiliate-Owned Business and paid to third parties for waste disposal services, including dump fees, during the applicable period.

(6) "Royalty (Imputed)," in Part II, means the total amount of Royalty fees that the Affiliate-Owned Business would have paid to us had the Affiliate-Owned Business entered into our current form of Franchise Agreement. The current Royalty is the greater of eight percent (8%) of Gross Sales, or the applicable Minimum Royalty per Subterritory. The Affiliate-Owned Business does not pay a Royalty fee, and these amounts are included for illustrative purposes only.

(7) "Brand Fund Contribution (Imputed)," in Part III, means the total amount of Brand Fund contribution that the Affiliate-Owned Business would have been required to make to our Brand Development Fund had the Affiliate-Owned Business entered into our current form of Franchise Agreement. The current required Brand Fund Contribution is two and one-half percent (2.5%) of Gross Sales. The Affiliate-Owned Business did not contribute to the Brand Fund during the Measurement Period and is not required to contribute to our Brand Fund, and these amounts are included for illustrative purposes only.

(8) "Revenue Center (Imputed)," in Part III, means the total amount of Revenue Center fees the Affiliate-Owned Business would have been required to pay had the Affiliate-Owned Business entered into our current form of Franchise Agreement. The current required Revenue Center fee is five and one-half percent (5.5%) of Gross Sales. The Affiliate-Owned Business does not pay a Revenue Center fee and these amounts are included for illustrative purposes only.

(9) "Technology Fee (Imputed)" means the total amount in technology fees that the Affiliate-Owned Business would have been required to make had the Affiliate-Owned Business

entered into our current form of Franchise Agreement. The current Technology Fee is $650 per month. The Affiliate-Owned Business does not pay us a Technology Fee. The amounts included above are for illustrative purposes only.

(10) "Minimum Advertising Spend (Imputed)" means the total amount in advertising that the Affiliate-Owned Business would have been required to spend had the Affiliate-Owned Business entered into our current form of Franchise Agreement. The current Minimum Advertising Spend is eight percent (8%) of Gross Sales.

C. Our Affiliate-Owned Business first opened in January 2023. While the Affiliate-Owned Business operates in a substantially similar manner to the way our System franchisees will operate, please note that the Affiliate-Owned Business (i) is located in the greater San Antonio, Texas area where the Proprietary Marks have garnered a reputation and goodwill that may not exist in the geographical area where you open a new Franchised Business; and (ii) has more operational history as of the beginning of the Measurement Period than you will have when you commence operation of your Franchised Business.

D. An owner of the Affiliate-Owned Business has an ownership interest in a landfill in San Antonio, Texas, which may impact availability and cost of disposal services. Refer to your own markets to confirm disposal options and pricing.

E. During the Measurement Period, the Affiliate-Owned Business paid (i) drivers between $17.00 - $18.50 per hour, and (ii) navigators between $15.00 and $16.50 per hour. These amounts do not include any tips, bonuses, overtime, or any other amounts.

F. You should develop your own business plan for your franchise, including capital budgets, financial statements, projections, pro forma financial statements, and other elements appropriate to your circumstances. We encourage you to consult with your own accounting, business and legal advisors to assist you in preparing your business plan.

G. The information presented in this Item 19 does not include or reflect certain operating expenses, including bonuses and additional employee compensation, employee health insurance costs, meals and entertainment expenses, repair and maintenance expenses, business license and permitting fees, depreciation expenses, and other operating costs and expenses that you will incur in connection with the operation of your Franchised Business.

H. Other than the payroll tax information disclosed above, the information presented in this Item 19 excludes tax liabilities, including sales tax, property tax and local taxes. You will be responsible for all taxes incurred in connection with the operation of your Franchised Business. You are strongly advised to consult with a tax professional before investing in this franchise opportunity.

Other than the preceding financial performance representation, we do not make any financial performance representation. 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 our management by contacting our Chief Executive Officer, Daniel McCarty, c/o Junk Start Franchise, LLC, 126 E. Turbo Drive, San Antonio, Texas 78216, Telephone (210) 910-5865, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2023, 2024 and 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company or Affiliate-Owned	2023	0	1	+1
	2024	1	1	0
	2025	1	1	0
Total Outlets	**2023**	**0**	**1**	**+1**
	2024	**1**	**1**	**0**
	2025	**1**	**1**	**0**

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023, 2024 and 2025

State	Year	Number of Transfers
Total	**2023**	**0**
	2024	**0**
	2025	**0**

Table No. 3
Status of Franchised Outlets
For Years 2023, 2024 and 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Total	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table No. 4
Status of Company-Owned and Affiliate-Owned Outlets
For Years 2023, 2024 and 2025

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Outlets Reacquired from Franchisee	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisee	Col 8 Outlets at End of the Year
Texas	2023	0	1	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Total	**2023**	**0**	**1**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**1**

Table 5
Projected Openings as of December 31, 2025

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	1	0
Florida	0	2	0
Georgia	0	2	0
Nebraska	0	1	0
North Carolina	0	2	0
Texas	0	4	0
Total	**0**	**12**	**0**

A list of the names of all franchisees and the addresses and telephone numbers of their businesses will be provided in Exhibit G to this Disclosure Document.

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 ten (10) weeks of the issuance date of this Disclosure Document will be listed on Exhibit H to this Disclosure

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

During the last three (3) fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the JunkStart System.

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

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit D to this disclosure document are our unaudited opening day financial statements dated August 31, 2025 and May 31, 2026, as well as our audited financial statements as of December 31, 2025. We have not been franchising for three (3) or more years, and therefore do not have, and are not required to provide, three years of audited financial statements.

ITEM 22
CONTRACTS

The following agreements are attached to this disclosure document:

Exhibit A: Franchise Agreement

Exhibit G: State-Specific Addenda

Exhibit I: Master Equipment Lease Agreement

Exhibit K: Receipts

ITEM 23
RECEIPTS

Attached to this Disclosure Document as Exhibit K, in duplicate, is a Receipt to be signed by the prospective Franchisee receiving this Disclosure Document. You must sign each Receipt and return one copy to us.

EXHIBIT A TO JUNK START FRANCHISE, LLC FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

JUNK START FRANCHISE, LLC FRANCHISE AGREEMENT
TABLE OF CONTENTS

EXHIBITS

Exhibit A: Data Sheet
Exhibit B: Personal Guaranty
Exhibit C: Collateral Assignment and Assumption of Lease
Exhibit D: Electronic Funds Withdrawal Authorization
Exhibit E: Confidentiality and Restrictive Covenant Agreement (for use by Franchisee for Management Personnel of the Franchised Business and Officers/Directors of the Franchisee)
Exhibit F: Conditional Assignment of Telephone/Facsimile Numbers and Domain Names; Exhibit G: Franchisee Disclosure Acknowledgment Statement

JUNK START FRANCHISE, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on _______________________ ("Effective Date"), by and between: (i) Junk Start Franchise, LLC, a Texas limited liability company, with its principal business address at 126 E. Turbo Drive, San Antonio, Texas 78216 (the "Franchisor"); and (ii)______________, a (resident of) (corporation organized in) (limited liability company organized in) with a business address at ____________________________(the "Franchisee").

BACKGROUND

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the "System") related to the development, opening, and ongoing operation of a business ("Franchised Business") that offers junk removal, including residential and commercial junk removal/clearing services and related services authorized by Franchisor (the "Approved Services").

B. Franchisor's System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: proprietary methodology and procedures for the establishment and operation of a Franchised Business; standards and specifications for the supplies, inventory and methodology associated with offering and providing each type of Approved Service; advertising; marketing; standards and specifications for equipment; all patents, copyrights, titles, symbols, logotypes, trade dresses, emblems, slogans, insignias, terms, know-how, methods, specifications, designations, designs, diagrams, anecdotes, artworks, worksheets, techniques, rules, ideas, course materials, advertising and promotional materials, and other audio, video and written materials developed and designated for use in connection with the System; proprietary training programs, courses and training materials; Franchisor's confidential and proprietary operations manual and, at Franchisor's option, other instructional manuals that have been reduced to writing (collectively, the "Manuals"); and standards and specifications for advertising, bookkeeping, sales and other aspects of operating a Franchised Business. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Franchisee hereby acknowledges and agrees that: (i) while the System and Franchisor's related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information that makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant manuals that are proprietary and confidential.

C. The System and Franchised Businesses are primarily identified by the marks "JunkStart®", as well as certain other trade names, trademarks, service marks and trade dress, all of which Franchisor may modify, update, supplement or substitute in the future (collectively, the "Proprietary Marks"). The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

D. Franchisor is in the business of granting qualified individuals and entities a franchise for the right to independently own and operate a single Franchised Business utilizing the Proprietary Marks and System at a location that Franchisor approves in writing, and within a territory designated by Franchisor and described on the Data Sheet attached hereto as Exhibit A.

E. Franchisee recognizes the benefits derived from being identified with Franchisor, appreciates and acknowledges the distinctive and valuable significance to the public of the System and the Proprietary Marks, and understands and acknowledges the importance of Franchisor's high and uniform standards of quality, appearance, and service to the value of the System.

F. Franchisee desires to acquire a non-exclusive franchise for the right to operate a single Franchised Business and has applied to obtain such a franchise from Franchisor.

G. Franchisor is willing to grant Franchisee the right to operate a Franchised Business based on the representations contained in the franchise application and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. PREAMBLES, ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE

A. Franchisee acknowledges and represents that Franchisor, itself or through any officer, director, member, manager, employee, or agent, has not made, and Franchisee has not received or relied upon, any oral, written, visual, express, or implied information, representations, warranties, guarantees, or promises regarding the amount of sales levels or income Franchisee might expect to earn from the franchise granted hereby, except as set forth in the Franchise Disclosure Document.

B. The business venture contemplated by this Agreement involves business risks.

C. Franchisee acknowledges that Franchisee's success in connection with the franchise granted hereunder will be largely dependent upon Franchisee's ability as an independent businessperson.

D. Franchisee has received, read, and does understand this Agreement and any attachments.

E. Franchisee understands and agrees that the junk removal industry is highly competitive with constantly changing market conditions (some of which may be seasonal in nature depending on where the Territory is located), including, but not limited to, the risks associated with local, state and federal regulatory agencies.

F. Franchisee acknowledges and agrees that Franchisor has fully and adequately explained each provision of this Agreement to Franchisee's satisfaction.

G. Franchisee has consulted with Franchisee's own advisors with respect to the legal, financial, and other aspects of this Agreement, the business franchised hereby, and the prospects for such business. Franchisee either has consulted with such advisors or has deliberately declined to do so.

H. Any written inquiries made to Franchisor by Franchisee pertaining to the nature of this franchise were answered in writing to the satisfaction of Franchisee.

I. Franchisee has had the opportunity and adequate time to independently investigate, analyze, and construe both the franchise being offered hereunder and the terms and provisions of this Agreement utilizing the services of legal counsel, accountants, and other advisors (if Franchisee so elects).

J. Any and all applications, financial statements, and representations submitted to Franchisor by Franchisee, whether oral or in writing, were complete and accurate when submitted and are complete and accurate as of the date of execution of this Agreement unless the same has been otherwise amended in writing. Franchisee states that he/she is not presently involved in any business activity that could be considered competitive in nature, unless heretofore disclosed to Franchisor in writing.

K. Franchisee agrees not to contest, directly or indirectly, Franchisor's ownership, title, right, or interest in its names or Proprietary Marks, trade secrets, methods, procedures, know- how, or advertising techniques which are part of Franchisor's business, or contest Franchisor's sole right to register, use, or license others to use such names or Proprietary Marks, trade secrets, methods, procedures, or techniques.

L. Franchisee's signature to this Agreement has not been induced by any representation inconsistent with the terms of this Agreement or inconsistent with the Franchise Disclosure Document given to Franchisee by Franchisor.

M. Franchisee represents and warrants that Franchisee is not a party to or subject to any order or decree of any court or government agency which would limit or interfere in any way with the performance by Franchisee of the obligations under this Agreement and that Franchisee is not a party and has not within the last ten (10) years been a party, to any litigation, bankruptcy, or legal proceedings other than those heretofore disclosed to Franchisor in writing.

N. Franchisee agrees and acknowledges that it is solely responsible for ensuring that: (i) it acquires and maintains all business licenses, permits and approvals, including those related to the provision of any Approved Services, that are necessary to operate the Franchised Business within the Territory (defined below); and (ii) the Franchised Business is otherwise operated in full compliance with all federal, state and local laws and regulations where the Franchisee is located at all times during the term of this Agreement. Franchisee specifically agrees and acknowledges that it will determine whether or not any type of contractor license or similar license/certification is needed to conduct the Franchised Business and, if such a license is required, Franchisee will obtain such license/certification prior to operating the Franchised Business in any manner. Franchisor shall have no liability in the event the development or operation of the Franchised Business violates any law, ordinance or regulation. Franchisor will not provide assistance in complying with any licensing requirements that are currently in effect or may be adopted in the future, nor with any federal, state, or local law, regulation, or requirement applicable to the Franchised Business.

O. Franchisee agrees and acknowledges that: (i) Franchisor may enter into franchise agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement, including without limitation, franchise agreements for the operation of a Franchised Business; and (ii) the existence of different forms of agreement and the fact that Franchisor and other franchisees may have different rights and obligations does not affect the parties' duty to comply with the terms of this Agreement.

P. The parties agree and acknowledge that all provisions and information set forth in the "Background" portion of this Agreement above, including all definitions and representations set forth therein, are hereby incorporated by reference as if fully set forth herein.

Q. Franchisee agrees and acknowledges as follows:

1. Franchisee will have sole authority and control over the day-to-day operations of the Franchised Business and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor or Franchisor's affiliates.

2. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors, nor vice versa.

2. GRANT OF FRANCHISE

A. **Grant of Franchise**. Franchisor hereby grants Franchisee, subject to the terms, conditions, and obligations of this Agreement, a non-exclusive right and license to use the Proprietary Marks and receive the other benefits of the System in connection with the establishment and operation of a single Franchised Business within the Territory (the "Franchised Business"). Franchisee acknowledges and agrees that Franchisee will offer and sell the Approved Services in the Territory.

B. **Territory.** Franchisee shall only have the right to operate the Franchised Business and offer/provide the Approved Services in connection with homes and businesses that are located within the designated territory set forth in Section 4 of the Data Sheet and the subterritories granted thereunder (collectively, the "Territory"). Franchisee is not permitted to offer or provide the Approved Services anywhere outside the Territory without first obtaining Franchisor's prior written consent, which may be granted or withheld in Franchisor's sole and absolute discretion, and which may be conditioned upon Franchisee's execution of agreements and/or acknowledgments, as designated by Franchisor. For so long as Franchisee is in compliance with this Agreement, and subject Sections 2(D) and 2(F) herein, Franchisor will not open or operate, or license a third party the right to open or operate, any other Franchised Business that utilizes the System and Proprietary Marks within the Territory.

C. **Rights Not Granted**. Franchisee acknowledges and agrees that this Agreement does not grant Franchisee any right or option to open any additional Franchised Businesses nor does this Agreement provide Franchisee with any right to sub-license or sub-franchise any of the rights granted hereunder. Franchisee may not use the Proprietary Marks or System for any purpose other than promoting and operating the Franchised Business at the Premises and within the Territory. Franchisor will have sole discretion as to whether it decides to grant Franchisee the right to open any additional Franchised Businesses, each of which will be governed by a separate form of Franchisor's then-current franchise agreement.

D. **Reservation of Rights**. Notwithstanding anything contained in this Agreement, Franchisor and its affiliates hereby reserve the exclusive right to: (i) own and operate franchised businesses at any location(s) outside of the Territory under the Proprietary Marks, or to license others the right to own and operate Franchised Businesses at any location(s) outside of the Territory under the Proprietary Marks and System; (ii) the right to own and operate businesses under different marks at any location(s) inside or outside of the Territory, or license to others the right to own and operate such businesses, under different marks at any location(s) inside or outside of the Territory (such businesses will not primarily provide junk removal services); (iii) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts, or related items, or in alternative channels of distribution, including the sale of any branded products in wholesale and retail stores, via the Internet, through the Revenue Center, and through mail order catalog, without regard to location; and (iv) use the Proprietary Marks and System, and license others to use the Marks and System to engage in any other activities not expressly prohibited in this Agreement.

E. **Modification of System**. Franchisor reserves the right to supplement, revise or otherwise modify the System or any aspect/component thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary to comply with any change that Franchisor makes to the System. Any change or modification that Franchisor makes to the System will not materially alter Franchisee's fundamental rights under this Agreement. Moreover, Franchisor will provide Franchisee with a reasonable amount of time to comply with any change or modification to the System once Franchisee has been notified of such change/modification in writing (via the Manuals or otherwise).

F. **Key Accounts**. Franchisor shall have the exclusive right, unless otherwise specifically delegated in writing, on behalf of itself, Franchisee, and/or other franchisees utilizing the Proprietary Marks, to negotiate and enter into agreements or approve forms of agreement to provide services to "Key Account" customers. Key Accounts may be national or regional insurance companies, third party administrators, or any customer which on its own behalf or through agents, franchisees, or other third parties, owns, manages, controls or otherwise has responsibility for a business in more than one (1) location (collectively the "Key Account"). Any dispute as to whether a particular customer is a Key Account shall be determined by Franchisor in its sole discretion and Franchisor's determination shall be final and binding.

So long as Franchisee is not in breach of this Agreement, and if permitted by the Key Account, Franchisee will be granted the option to service the locations of these Key Accounts in the Territory; provided that Franchisee (a) does so under the terms and conditions (including pricing) of the contract with the Key Account; (b) participates in any and all promotional requirements designated by the Key Account; (c) complies with Franchisor's specifications relating to servicing of all such Key Accounts; and (d) enters into Franchisor's then-current Key Account Service Agreement, as Franchisor designates. Franchisor may require Franchisee to pay additional fees, costs and expenses associated with Key Accounts to Franchisor or its designee (as designated by Franchisor), which fees shall be payable at the times and in the manner specified by Franchisor in the Manuals or other written communications, and which may be calculated as a percentage of Gross Sales for each Key Account job serviced. If Franchisee does not meet these requirements at any time, Franchisor may revoke Franchisee's permission or right to service the Key Account. If Franchisee's right to service the Key Account is revoked, or if Franchisee chooses not to service a Key Account, Franchisor may service the account directly, or license or permit a third party, including another franchisee, to service the Key Account, even if located in the Territory, in which case, Franchisee will not be entitled to any compensation for such services. Unless otherwise designated by Franchisor, all jobs must be scheduled through Franchisor's designated Revenue Center, the Website(s), or through the use of Franchisor's Required Software. In the event that Franchisee is unable to service a potential customer, Franchisor reserves the right for other franchisees and/or company or affiliate-owned outlets to provide service for that job only.

3. <u>TERM AND RENEWAL</u>

A. **<u>Term</u>**. Unless previously terminated pursuant to this Agreement, the term of this Agreement shall be for a period of ten (10) years ("Initial Term") commencing as of the Effective Date.

B. **<u>Renewal</u>**. Franchisee may submit a request to renew this Agreement for one (1) additional term of ten (10) years and must provide such request to renew no less than six (6) months and no more than twelve (12) months prior to the end of the then-current term. Failure to provide such notice to Franchisor will be deemed an indication that Franchisee does not wish to renew the franchise relationship. Franchisor shall not unreasonably withhold its approval of such requests for renewal, provided Franchisee complies with the following conditions:

1. Franchisee must not have: (i) any uncured material defaults under this Agreement (including any monetary defaults) or any other agreement between

Franchisee and Franchisor or the landlord of the Premises, either at time of Franchisee's renewal request or at the time of renewal; and (ii) received more than three (3) separate, written notices of material default from Franchisor with respect to this Agreement in the 12-month period preceding the renewal request date or renewal date.

2. Franchisee must execute Franchisor's then-current form of franchise agreement, which may contain materially different terms and conditions from those contained in this Agreement, within thirty (30) days of the date Franchisee is provided with Franchisor's then-current form of franchise agreement.

3. Franchisee pays Franchisor a renewal fee of $10,000 prior to Franchisor entering into the renewal form of franchise agreement described in Section 3(B)(2) above. Franchisee will not be required to pay an additional Initial Fee (as defined in Section 4) upon renewal.

4. At Franchisor's option, Franchisee and/or the Operating Principal (as defined in this Agreement and as applicable) attends a prescribed training refresher course at least thirty (30) days before the expiration of the then-current term of this Agreement. Franchisee will be responsible for all expenses incurred in connection with attending this refresher training.

5. Franchisee executes a general release under seal, in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor and its officers, directors, shareholders, and employees in their corporate and individual capacities, including without limitation, all claims arising under any federal, state, or local law, rule, or ordinance.

6. Franchisee must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional, and other operational and training programs recommended or provided by Franchisor to the satisfaction of Franchisor.

7. Franchisee agrees, at its sole cost and expense, to re-image, renovate, refurbish, and modernize the Approved Vehicles (defined herein) and Franchised Business within the time frame required by Franchisor, including the design, equipment, signs, interior and exterior, displays, inventory assortment and depth, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a newly opened Franchised Business.

4. FEES AND PAYMENTS

A. **Fees**. In consideration of the rights and license granted herein, Franchisee agrees and acknowledges that it must pay the following amounts to Franchisor or, as noted below, Franchisor's designated supplier:

1. *Initial Franchise Fee; Veteran and First Responder Discount.*

i. *Initial Franchise Fee.* Upon execution of this Agreement, Franchisee must pay Franchisor an initial franchise fee equal to Fifty-Two Thousand Five Hundred Dollars ($52,500) (the "Initial Franchise Fee"), which fee shall be deemed fully earned and non-refundable under any circumstances upon payment. If Franchisee is purchasing the right to operate in two Territories, the Initial Franchise Fee for the second Territory is equal to Fifty-One Thousand Dollars ($51,000). If Franchisee is purchasing the right to operate in three Territories, the Initial Franchise Fee for the third Territory is equal to Forty-Nine Thousand Five Hundred Dollars.

ii. *Veteran and First Responder Discount.* If you (or, where the Franchisee is an entity, an owner holding at least 50% of the equity interest in the Franchisee entity) qualify as a Veteran or First Responder, you are eligible for a discount of ten percent (10%) off of the Initial Franchise Fee. This discount applies only to the Initial Franchise Fee payable for your first Franchised Business and the first Territory. It does not apply to the Initial Franchise Fee payable in connection with any additional Territory. To receive this discount, Franchisee must (i) request it in writing at the time Franchisee signs the Franchise Agreement, and (ii) submit documentation satisfactory to Franchisor evidencing Franchisee's eligibility. For purpose of this discount, "Veteran" means a person who has served in and been honorably discharged or released from the U.S. Armed Forces, and "First Responder" means a current or former law enforcement officer, firefighter, or emergency medical technician/paramedic.

2. *Initial Training Fee.* Upon execution of this Agreement, Franchisee must pay to Franchisor an initial training fee in the amount of $7,500 (the "Initial Training Fee"), which fee shall be deemed fully earned and non-refundable under any circumstances upon payment.

3. *Royalty Fee*. Once the Franchised Business is open and operating (and/or required to be open and operating under this Agreement), Franchisee will pay Franchisor a continuing monthly royalty fee in the amount equal to the greater of (i) eight percent (8%) of Gross Sales; or (ii) the applicable Minimum Royalty (as defined below) (collectively, the "Royalty Fee"). The Royalty Fee is deemed fully earned and non-refundable upon payment.

4. *Minimum Royalty*. For purposes of Section 4(A)(3), the Minimum Royalty is calculated on an annual, per-Subterritory basis depending upon the number of years in which the Franchised Business has been in operation, as follows:

Year of Operation of Franchised Business	**Minimum Royalty (per Subterritory per Year)**
1	$825
2	$1,650
3	$2,475
4	$3,025
5 through 10	$3,850

5. *Definition of Gross Sales.* In addition to the fees above, Franchisee will be required to pay Franchisor certain ongoing fees that may be based on gross sales. As used in this Agreement, "Gross Sales" includes the actual gross revenues billed to customers and all income that Franchisee derives or receives directly or indirectly from, through, by, or on account of the operation of the Franchised Business, including, without limitation, through the provision of approved services, in whatever form and from whatever source, including but not limited to cash, services, in kind from barter and/or exchange, on credit or otherwise. "Gross Sales" also includes any proceeds from business interruption insurance, without deduction for expenses, taxes or any other liability. "Gross Sales" does not include sales tax that is collected from customers and transmitted to the appropriate taxing authorities.

6. *Fund Contribution.* Franchisor has established a System-wide Brand Development Fund (the "Fund"). Franchisee shall make weekly contributions to the Fund amounting to two and one-half percent (2.5%) of the Gross Sales of the Franchised Business from the preceding week, payable at the same time and in the same manner as the Royalty Fee. Franchisor may modify these fund contributions requirements upon thirty (30) days written notice to Franchisee.

7. *Revenue Center Fee.* Franchisee must pay Franchisor a monthly Revenue Center fee ("Revenue Center Fee") equal to five and one-half percent (5.5%) of Franchisee's Gross Sales for the preceding month, payable at the same time and in the same manner as the Royalty Fee.

8. *Technology Fee.* Franchisee must pay Franchisor a monthly fee to cover the costs of ongoing software development, support and maintenance. Currently, the Technology Fee is $650 per month and may increase by up to 10% each year. If Franchisor develops additional or replacement technology-based programs or makes improvements to existing technology, then Franchisor may increase the Technology Fee effective on notice to Franchisee. The Technology Fee includes up to three emails. Any additional emails will be charged additional amounts based on the amount charged to Franchisor for such additional accounts.

9. *Key Accounts Fee.* Franchisor may establish Key Accounts with third party subcontractors who have customers in the Territory, regardless of whether Franchise serviced the customer in the past. Franchisor reserves the right to require Franchisee to pay to Franchisor or its designee an additional fee of 5% of Gross Sales per Key Account job.

10. *Master Equipment Lease*. Franchisee will execute the Master Equipment Lease Agreement and pay Junk Star Equipment, LLC the rent for the Weighing System under the Master Equipment Lease Agreement.

11. *Other Amounts.* The other amounts detailed in this Agreement that Franchisee will be required to expend on: (a) local advertising and promotion of the Franchised Business; (b) training/tuition fees; (c) evaluation costs; (d) ongoing software licensing fees for software that Franchisor designates for use in connection with the Franchised Business; and (e) marketing materials, inventory and/or other supplies that must be purchased on an ongoing basis in accordance with Franchisor's System standards and specifications. Franchisor may require Franchisee to purchase any of the foregoing items or services from Franchisor, its affiliate or another supplier that Franchisor approves and/or designates.

B. **Method of Payment; Bank Accounts.**

1. *Method of Payment.* With the exception of the Initial Franchise Fee and the Initial Training Fee (which should be paid by bank check or wire transfer), Franchisee shall pay all fees and other amounts due to Franchisor and/or its affiliates under this Agreement through an electronic funds transfer program (the "EFT Program"), under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates, from the bank account Franchisee provides to Franchisor for use in connection with EFT Program (the "EFT Account"). Upon Franchisor's written request, Franchisee must make all such payments described in this Section by bank or certified check.

2. *Use of EFT Account for Operational Funds.* Franchisee shall immediately deposit all revenues from operation of the Franchised Business into this bank account upon receipt, including cash, checks, and credit card receipts. At least ten (10) days prior to opening the Franchised Business, Franchisee shall sign, and provide to Franchisor and Franchisee's bank, Franchisor's EFT Authorization Form attached as Exhibit D to this Agreement. Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including any change to the EFT Account.

C. **Access to Computer System**. Franchisor may, without notice to Franchisee, independently and remotely access any proprietary software program and the computer system that Franchisee is required to use in connection with the Franchised Business or will be required to use in the future (the "Computer System"), via the Internet or other electronic means, in order to obtain any financial and/or Customer information that is related to the operation of the Franchised Business, including without limitation, Gross Sales and Customer contact and property information. Franchisee must obtain and use the Computer System hardware, software and other components that Franchisor prescribed for use in connection with the Franchised Business and utilize and participate in any intranet/extranet that Franchisor establishes in connection with the System. Franchisee must ensure that Franchisor has independent electronic access, at all times, to the sales reporting software and point-of-sale system used in the Franchised Business, and shall provide Franchisor with independent login credentials (including accountant-level credentials for any accounting software) as Franchisor may reasonably request. Any data related to the Franchised Business that Franchisor accesses from the Computer System (including data relating to customers, Gross Sales, orders and services) will be Franchisor's property, and Franchisor may share such information within the System and with third parties, subject to applicable law. Franchisee hereby consents to Franchisor using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by Franchisor or disclosed to Franchisor in accordance with this Agreement.

D. **Operational Reports; Right to Modify Payment Interval**.

1. Franchisee shall provide Franchisor with the following reports and information, all of which must be certified as true and correct by Franchisee and in the form and manner prescribed by Franchisor: (i) a signed Gross Sales report detailing the information from the preceding month, including (a) Gross Sales of the Franchised Business, (b) Franchisee's calculated Royalty Fee, (c) Fund contributions, (d) Cooperative contributions (if applicable), and such evidence that Franchisee has made its local advertising expenditures required by Franchisor under this Agreement, the Manuals, policy, or otherwise in writing; (ii) on or before the twentieth (20th) of each month, an unaudited profit and loss statement for the Franchised Business for the preceding calendar month; (iii) within sixty (60) days of each calendar quarter, an unaudited balance sheet reflecting the financial position of the Franchised Business as of the end of that calendar quarter; (iv) within sixty (60) days of Franchisor's request, a financial statement that details the total assets and liabilities of the Franchised Business (and, if appropriate Franchisee and personal guarantors under this Agreement); (v) within sixty (60) days after the close of each fiscal year of Franchisee, financial statements which must include a statement of income and retained earnings, a statement of changes in financial position, and a balance sheet of the Franchised Business, all as of the end of such fiscal year; and (vi) any other financial information or performance metrics of the Franchised Business that Franchisor may reasonably request. Each time Franchisee either: (i) fails to deliver to Franchisor a required report within three (3) days of its due date; or (ii) fails to enter Gross Sales information into the designated software as required by Franchisor, Franchisee will pay Franchisor a late fee of one hundred fifty

dollars ($150) for the first such late report, and late fee of two hundred fifty dollars ($250) for each consecutive violation.

2. The parties agree and acknowledge that Franchisor may modify the interval at which it collects Franchisee's Royalty Fee, Fund Contribution, Revenue Center fees, and other recurring fees under this Agreement upon written notice (i.e., Franchisor may provide Franchisee with notice that it will be changing the frequency of when these fees are collected). In such an event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.

3. Franchisee hereby grants Franchisor permission to report and distribute Franchisee's gross sales, gross sales mix, cost of material and labor and other certain expenses to other existing franchisees of Franchisor with such additional information as Franchisor may deem appropriate, including the identification of Franchisee, the location of Franchisee's franchised premises, and such other information as may make the gross sales/gross sales mix information a useful business aid to Franchisee and other franchisees of Franchisor. Franchisee will indemnify and hold harmless Franchisor against and from any and all claims, liabilities, or suits resulting from or in connection with any acts or omission of Franchisor in the reporting of sales.

4. Franchisee must process all customer orders via the Revenue Center, the Websites, Franchisor's designated point-of-sale system and related software, or any other designated software, and must enter all customer orders, job details, estimates, payment methods, amounts billed, and all income and revenue received into the required software no later than the close of business each day.

E. **Late Payments**. If any payment due under this Agreement is not received by Franchisor by the scheduled date due, Franchisee shall be in default under this Agreement. If any payment is overdue, Franchisee shall pay interest to the Franchisor, in addition to the overdue amount, at a rate of one and a half percent (1.5%) per month or the highest rate permitted by law, whichever is less, beginning from the original due date until payment is received in full. Entitlement to collect such interest shall be in addition to any and all other remedies Franchisor may have.

F. **Taxes Owed by Franchisee**. No payments to be made to Franchisor by Franchisee, whether for royalties, advertising, merchandise, special programs, or otherwise, may be reduced on account of the imposition by any federal, state, or local authority of any tax, charge, or assessment, or by any claim Franchisee may have against Franchisor. All taxes, charges, or assessments shall be paid by Franchisee to the taxing authorities when due, in addition to the amounts due to Franchisor.

G. **Inability to Operate Franchised Business**. If Franchisee is unable to operate the Franchised Business due to damage or loss to the Premises and/or the Approved Vehicle(s) and any equipment located thereon caused or created by a casualty, act of God, condemnation, or other condition over which Franchisee has no control, then Franchisor will waive the Royalty Fee due under this Agreement for a period of time that Franchisor reasonably determines is necessary for the Franchised Business to repair the damage/loss to the Premises and resume operations (or relocate the Franchised Business to a different location within the Territory), with said waiver period not to exceed ninety (90) days commencing from the date Franchisee gives Franchisor notice of the damage or loss.

5. DUTIES OF FRANCHISOR

A. Initial Training.

1. *Initial Training Prior to Opening.* Franchisor will provide its initial training program (the "Initial Training Program") to Franchisee (or its Operating Principal if Franchisee is an entity) and, if applicable, up to two (2) additional individuals that Franchisee has designated, and Franchisor has approved, to either handle the day-to-day management of the Franchised Business (the "Designated Manager"), or to serve in either the primary operations or sales roles in the Franchised Business, for a total of up to three (3) attendees. The tuition for the Initial Training Program is included in the Initial Training Fee payable under this Agreement, which covers the training tuition for up to three (3) individuals to attend our Initial Training Program in the San Antonio, Texas area, provided all such individuals attend at the same time prior to opening the Franchised Business. The parties agree and acknowledge that: (i) certain portions of the Initial Training Program may be provided by Franchisor remotely via telephone calls, webinars or other online learning management system/technology; (ii) other portions of the Initial Training Program may require attendance at Franchisor's headquarters or other designated training facility for a period that typically lasts approximately five (5) business days; and (iii) Franchisee shall bear all its costs and expenses incurred by Franchisee and all other Operating Principal and/or managers in connection with the Initial Training Program, including without limitation, travel, lodging, meals, local transportation and wages for any personnel.

2. *Replacement Personnel.* Franchisor will also provide the Initial Training Program or appropriate portions thereof to any replacement personnel that will serve as Franchisee's Operating Principal and/or Designated Manager of the Franchised Business, provided Franchisee pays Franchisor's then-current training fee for such initial training (as well as any costs and expenses incurred) and subject to the schedule and availability of Franchisor's training staff.

3. *Training Pre-Conditions; Acknowledgement of Completion.* The parties agree and acknowledge that: (i) Franchisee must satisfy the training pre-conditions set forth in Section 6(M)(2) of this Agreement (the "Training Pre-Conditions") before Franchisee or any of its personnel can attend any portion of the Initial Training Program that is provided at Franchisor's headquarters and/or other designated training facility; and (ii) upon completion of the Initial Training Program and/or any appropriate components thereof, Franchisee or the individual that completed such training may be required to sign an acknowledgement that it received such training from Franchisor consistent with this Agreement and the FDD.

B. **On-Site Assistance.** Subject to Franchisee and its appropriate personnel attending and completing all necessary training to commence operations of the Franchised Business and satisfaction of all Training Pre-Conditions, Franchisor will, at Franchisee's request, provide on-site assistance within the Territory hereunder for up to two (2) business days. This additional on-site assistance is subject to Franchisor's availability and will typically take place within the first six (6) weeks after the opening of the Franchised Business, provided Franchisee is not then in material default under this Agreement. Franchisor will not require Franchisee to pay its then-current training fee in connection with the on-site assistance that Franchisor provides under this Section.

C. **Additional and Refresher Training**.

1. *Required Additional Training.* Franchisor may, as it deems appropriate in its discretion, develop additional and refresher training courses, and require Franchisee, its Operating Principal and any other designated personnel to attend such courses no more frequently than: (i) two (2) sessions of additional/refresher training per year, which, combined will not exceed seven (7) total days and may take place at Franchisor's designated training facility in San Antonio, Texas (or other location that Franchisor designates); and (ii) twenty-four (24) hours of additional or refresher training via webinar or other medium that allows for remote attendance and completion ("Additional Training"). Franchisor will not require Franchisee to pay its then-current training fee in connection with any Additional Training that Franchisor requires under this Section, but Franchisee will be responsible for the costs and expenses incurred in connection with Franchisee and its designated personnel attending such training, which may take place at a training facility that Franchisor designates.

2. *Requested Additional Training and/or On-Site Assistance.* Franchisor may also provide Additional Training or other on-site assistance at Franchisee's reasonable written request, subject to: (i) the schedule and availability of Franchisor's training personnel; and (ii) Franchisee paying Franchisor's then-current training fee for each trainer that is provided in connection with the requested Additional Training (currently $750 per trainer per day, which Franchisor may increase by up to ten percent (10%) per year during the term of this Agreement), as well as Franchisee covering the costs and expenses that such personnel incur in providing such training. Franchisor will provide Additional Training under this Section as it deems appropriate in its discretion.

3. *Remedial Training.* Franchisor may require Franchisee to attend up to five (5) days of remedial training that Franchisor reasonably determines Franchisee and appropriate personnel must undertake in response to (a) the failure of Franchisee or any other required personnel to sufficiently complete the Initial Training Program or any type of Additional Training that Franchisor requires under Section 5(C)(1) above, or (b) Franchisee's failure to operate the Franchised Business in accordance with the terms of the Franchise Agreement after Franchisor has provided Franchisee with written notice of such failure, including as part of any curative actions in connection with a default under this Agreement (each, an instance of "Remedial Training"). Franchisor reserves the right to charge its then-

current training fee for any Remedial Training that is provided to Franchisee and/or its personnel at any location (currently $750 per trainer per day, which Franchisor may increase by up to ten percent (10%) per year during the term of this Agreement). Franchisee must cover the costs and expenses incurred by Franchisor and its personnel in providing such Remedial Training if such training is provided at a location other than Franchisor's headquarters.

D. **Manuals**. Franchisor will provide Franchisee with access to the Manuals prior to the opening of the Franchised Business. Franchisor will also provide Franchisee with: (i) a list of all furniture, fixtures, equipment, vehicles, inventory, supplies and other items that Franchisee is required to purchase or lease in connection with the establishment and ongoing operation of the Franchised Business (collectively, the "Required Items"); (ii) a list of all suppliers from which Franchisee must purchase or lease any Required Items, which may be Franchisor or its affiliates (collectively, the "Approved Suppliers"); and (iii) a list of the Approved Products and Approved Services that Franchisee is authorized to offer, sell or provide at and from the Franchised Business. The foregoing lists may be provided as part of the Manuals or otherwise in writing prior to opening, and Franchisor has the right to revise, supplement or otherwise modify these lists and the Manuals at any time upon written notice to Franchisee. Franchisor may also establish and maintain a website portal or other intranet for use by Franchisee and other Franchised Business owners (the "Web Portal"), wherein Franchisor may post content that will automatically become part of, and constitute a supplement to, the Manuals, all of which Franchisee must strictly comply with promptly after such content is posted or otherwise listed on the Web Portal. The Manuals, and all copies, are the sole property of Franchisor and are highly confidential; Franchisee is prohibited from copying or distributing the Manuals and must use them solely to operate the Franchised Business. Franchisee must accept and comply with all revisions, modifications and additions to the Manuals that Franchisor communicates (including by mail, email, posting to the Web Portal or otherwise), and Franchisee will be solely responsible for the costs associated with complying with any such changes. Upon Franchisor's request, and in any event upon expiration or termination of this Agreement for any reason, Franchisee must immediately return all copies (hard copy and electronic) of the Manuals. In the event Franchisee or its personnel saves or prints out a hard copy of any Manuals, then such electronic/hard versions of said Manuals must be immediately returned upon expiration or termination of this Agreement for any reason (and never used for any competitive purpose). The provisions of this Section shall survive the term of this Agreement.

E. **Site Selection Review and Approval**.

1. Following execution of this Agreement, Franchisor shall: (i) provide Franchisee with basic site selection criteria that Franchisor establishes for a third-party premises of a Franchised Business, if any; (ii) review and evaluate any site proposals (including any relocation proposals) from Franchisee; and (iii) approve or reject such site selection proposals within thirty (30) days of the date Franchisee provides Franchisor with all reasonably-requested information that Franchisor requests in connection with a given site proposal. The parties agree and acknowledge, however, that Franchisor's approval of

any given site does not constitute a guarantee or other representation that the Franchised Business will succeed or otherwise perform at a certain level at that location. Franchisor reserves the right to purchase the real estate for the proposed premises, and to require Franchisee to lease the premises, if acquired, from Franchisor.

2. Once Franchisor and Franchisee determine an Approved Location (which must be located within the Territory), Franchisor must then also approve of the lease for the Premises (the "Lease") or purchase agreement for the Premises, prior to Franchisee entering into any such agreement for that location to serve as the Premises of the Franchised Business. Franchisor may condition its approval of any Lease for the proposed Premises on the landlord's execution of Franchisor's form of Collateral Assignment and Assumption of Lease Agreement attached to this Agreement at Exhibit C. Franchisor will use reasonable efforts to review and approve of any proposed Premises location and corresponding Lease within thirty (30) days of receiving all reasonably requested information from Franchisee.

F. **Initial Marketing Assistance**. Franchisor will provide guidance to Franchisee, as it deems appropriate in its discretion, in developing and conducting the Grand Opening Marketing (as defined and described more fully in Section 9 of this Agreement), which program will be conducted at Franchisee's expense.

G. **Continuing Assistance**.

1. Franchisor may, as it deems appropriate and advisable in its sole discretion, provide continuing advisory assistance in the operation of the Franchised Business. Franchisor's determination not to provide any particular service, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement.

2. Franchisor may provide such assistance via telephone, fax, intranet communication, webinar or any other communication channel Franchisor deems appropriate, subject to the availability and schedules of Franchisor's personnel.

3. In the event Franchisee requests that Franchisor provide any type of assistance or training on-site at the Franchised Business, then Franchisee may be required to pay Franchisor's then-current training fee in connection with such training (in addition to reimbursing Franchisor for any costs/expenses that Franchisor's personnel incurs in connection with providing such assistance); provided, however, that no training fee will be charged for the on-site assistance described in Section 5(B) or for Additional Training that Franchisor requires under Section 5(C)(1).

H. **Review of Advertising Materials**. Franchisor will review and approve/reject any advertising or marketing materials proposed by Franchisee in connection with the Franchised Business as described more fully in Section 9 of this Agreement.

I. **Website**. For so long as Franchisor has an active website containing content designed to promote the brand, System and Proprietary Marks (collectively, the "Website"), Franchisor will list the contact information of the Franchised Business on this Website, provided Franchisee is not in material default under this Agreement. The Website is discussed in greater detail in Section 9(G) of this Agreement.

J. **Email Addresses**. Franchisor or Franchisor's designee will provide Franchisee with up to three (3) email addresses, which: (i) Franchisee is required to use in connection with the Franchised Business; and (ii) must be the only email addresses used in connection with the Franchised Business. Franchisee must comply with Franchisor's designated guidelines and specifications (which may be set forth in the Manuals or other written communications) in connection with Franchisee's use of the email address, including, without limitation, the restriction that Franchisee only use the email address for business purposes and that Franchisee include a notation in the automated signature line of Franchisee's @junkstart email address indicating that the franchised business is independently owned and operated. Franchisee acknowledges and agrees that all such email addresses (and any other email address containing the "junkstart" mark) are Franchisor's sole property. Upon expiration or termination of this Agreement, Franchisee must immediately cease all use of such email addresses, and Franchisor may redirect or deactivate them without notice. Franchisee must execute the Conditional Assignment of Telephone/Facsimile Numbers and Domain Names Agreement (Exhibit F) and acknowledges that any email addresses utilizing a domain name assigned under Exhibit F are subject to reassignment or deactivation by Franchisor upon expiration or termination.

K. **Private Label Products**. Franchisor may directly, or indirectly through Franchisor's affiliates or designated vendors, develop and provide Franchisee with private label products or other merchandise bearing the Proprietary Marks to be used by Franchisee and/or offered and sold by Franchisee as part of the Approved Services that are provided at the Franchised Business. Franchisee may be required to purchase these items from Franchisor or any other Approved Supplier that Franchisor designates.

L. **Inspections of the Premises and Approved Vehicles**. Franchisor will, as it deems appropriate in its sole discretion, conduct inspections and/or audits of the Franchised Business and, upon 48 hours' notice, of the Premises (if applicable) and/or Approved Vehicles to ensure that Franchisee is operating its Franchised Business in compliance with the terms of this Agreement, the Manuals and the System standards and specifications. Such inspections may include: (i) inspections of the Premises (if applicable) and/or Approved Vehicles and inspecting any and all books and records; (ii) conducting mystery shop services and/or inspections designed to evaluate the Approved Products and Approved Services provided by the Franchised Business and any pre-sale activities involved with the same. Franchisor may also, at any time and without notice, access Franchisee's computer systems and Franchisor's designated software to obtain Gross Sales and related information, as further described in the Manuals. Inspections of the Premises and/or Approved Vehicles will only occur during normal business hours and, with respect to the Premises, will only involve the physical area that is specifically devoted to the Franchised Business. Franchisee is solely responsible for ensuring that the Franchised Business is being operated in compliance with all applicable laws and regulations.

M. **Administration of Fund**. Franchisor will administer the Fund as it deems advisable to the System in its sole discretion as described more fully in Section 9 of this Agreement.

N. **No Assumption of Liability**. Franchisor shall not, by virtue of any approval or advice provided to the Franchisee under this Agreement, including site approval or other approval provided under this Section 5, assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance (including site selection and project oversight) provided by Franchisor or its designee in relation to the selection or development of the Premises is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Premises, that the development of the Premises is free of error, nor that the Franchised Business is likely to achieve any level of volume, profit or success.

O. **Delegation of Duties**. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

P. **Pre-Opening Obligations Acknowledgement**. If Franchisee believes Franchisor has failed to provide adequate pre-opening services as provided in this Agreement, Franchisee shall notify Franchisor in writing within sixty (60) days following the opening of the Franchised Business. Absent such notice to Franchisor, Franchisee acknowledges, agrees and grants that Franchisor fully complied with all of its pre-opening and opening obligations set forth in this Agreement.

Q. **Annual Conference**. Franchisor may establish and conduct an annual conference for all franchise owners and may require Franchisee (or its Operating Principal or Designated Manager) to attend this conference, but for no more than five (5) days each year. Franchisee will be solely responsible for all expenses incurred in attending the annual conference (including any employee wages), and Franchisor reserves the right to require Franchisee to pay Franchisor its then-current convention contribution fee prior to attending; provided, however, that such fee is not currently assessed and, when established, is currently estimated to be $750 per attendee, excluding the cost of travel, food and lodging.

R. **Revenue Center**. Franchisor has established a System-wide call center (the “Revenue Center”). Franchisee is required to participate in the Revenue Center program, and to pay a Revenue Center fee equal to five and one-half percent (5.5%) of Gross Sales, payable monthly at the same time and in the same manner as the Royalty Fee via Electronic Funds Transfer (or as otherwise designated in the Manuals). Unless otherwise designated by Franchisor, all customer orders and jobs must be scheduled and processed through Franchisor’s designated Revenue Center, the Websites, and/or through the use of Franchisor’s designated point-of-sale system and related software or any other designated software Franchisor may provide. In the event that Franchisee is unable to service a potential customer, Franchisor reserves the right for other franchisees and/or company or affiliate-owned outlets to provide service for that job only. Franchisor may require Franchisee to, at any time during the term, acquire and maintain a dedicated business telephone line (which can be a mobile line or landline) which Franchisee must transfer to Franchisor on the termination or expiration of your Franchise. If Franchisee uses any other telephone to transact business associated with the Franchised Business, Franchisee may be required to transfer that telephone number to Franchisor as well upon termination or expiration of this Agreement. Franchisee must execute the Conditional Assignment of Telephone/Facsimile Numbers and Domain Names Agreement attached as Exhibit F, assigning to Franchisor all rights to any telephone numbers, facsimile numbers (if any) and domain names used in connection with the Franchised Business upon termination or expiration of this Agreement. Franchisee further agrees to promptly respond to all customer inquiries. Franchisor reserves the right to designate one or more third parties to operate the Revenue Center and/or to provide any of the services described in this Section, and/or to modify, suspend, or discontinue the Revenue Center program (in whole or in part) at any time, with or without cause and without liability to Franchisee.

6. DUTIES OF FRANCHISEE

A. **Securing an Approved Location**. Franchisee must secure an Approved Location for the office within the Territory that Franchisor approves in its sole discretion (if an Approved Location is not already identified and accepted by Franchisor at the time of execution of this Agreement).

B. **Lease.** If Franchisee has leased an Approved Location from which to operate the Franchised Business, Franchisee must enter into a lease for the Approved Location (the "Lease") and ensure that it complies with all provisions of the Lease, including those provisions related to leasehold improvements and signage. Franchisor may review any proposed Lease for the Premises and approve such Lease prior to Franchisee's execution for use in connection with operating the Franchised Business. Franchisee must ensure that the Lease contains the following terms as a condition to Franchisor's approval thereof:

1. The Lease reserves Franchisor's right, at Franchisor's election, to receive an assignment of the Lease;

2. The Lease requires the landlord to provide Franchisor with a written notice of Franchisee's default or deficiency under the lease at the same time such notice of default is sent to Franchisee;

3. The Lease requires the landlord to provide Franchisor with written notice of Franchisee's failure to cure any default under the Lease within the appropriate cure period and grants Franchisor the right (but not the obligation), in its sole discretion, to cure any such default or deficiency under the lease within thirty (30) days after the expiration of the Franchisee's cure period if Franchisee fails to cure;

4. The Lease evidences the right of Franchisee to display the Proprietary Marks in accordance with the specifications required by the Manuals, subject only to provisions of applicable law;

5. The Lease requires the Approved Location be used solely for the operation of a Franchised Business;

6. The Lease prohibits modification, supplementation, cancellation, termination, or amending of the Lease without Franchisor's reasonable prior express written approval.

Franchisor may further condition approval of the Lease on Franchisee and Franchisee's landlord executing a Collateral Assignment of Lease (attached as Exhibit C to this Agreement) granting Franchisor the right, but not the obligation, to assume the Lease upon: (i) Franchisee's default under the Lease; or (ii) the termination, transfer, or expiration of this Agreement. The landlord under the Lease must expressly consent to the Collateral Assignment of Lease in writing.

C. **Build-Out of Premises and Time to Open**.

1. Franchisee shall submit to Franchisor, for Franchisor's approval, detailed plans and specifications, adapting Franchisor's then-current standard plans and specifications to the Approved Location and to local and state laws, regulations, and ordinances. Once approved by Franchisor, Franchisee shall not materially change or modify such plans and specifications without the prior written consent of Franchisor. Franchisee shall use a qualified licensed, general contractor or construction supervisor to oversee construction or modification of the Franchised Business and completion of all improvements.

2. Franchisee shall commence operation of the Franchised Business no later than four (4) months from the date this Agreement is executed; provided, however, that Franchisor may extend this period if Franchisee has not yet received all permits or licenses required to operate the Franchised Business. Within two (2) weeks after execution of this Agreement, Franchisee must place an order for the minimum number of Approved Vehicles required for its Territory(ies). As a condition to opening and continuing operations, Franchisee must secure and place into service Approved Vehicles meeting Franchisor's specifications in accordance with Section 6(F) of this Agreement and the Vehicle Development Schedule, as follows: (a) if Franchisee will operate in one (1) Territory, Franchisee must have at least one (1) Approved Vehicle; (b) if Franchisee will operate in two (2) Territories, Franchisee is ultimately required to have two (2) Approved Vehicles, provided that Franchisor may, at its discretion, permit Franchisee to commence operations with one (1) Approved Vehicle and add the second Approved Vehicle in accordance with the Vehicle Development Schedule; and (c) if Franchisee will operate in three (3) Territories, Franchisee is ultimately required to have at least three (3) Approved Vehicles, provided that, with Franchisor's consent, Franchisee may commence operations with two (2) Approved Vehicles and add the third Approved Vehicle in accordance with the Vehicle Development Schedule. If

Franchisee purchases and operates in multiple Territories, Franchisee may begin marketing, selling, and performing jobs in all approved Territories upon opening, subject to this Agreement, the Operations Manual, and any launch plan approved by Franchisor. If Franchisee operates in multiple contiguous Territories, Franchisee may operate the Franchised Business and service all approved Territories from the same Premises, provided Franchisor approves the operating plan. Franchisee must also purchase from Franchisor or its affiliate and install, for each Approved Vehicle, the then-required vehicle upfit and decal package designated by Franchisor prior to opening. Franchisee may not open for business until all amounts then due to Franchisor and its affiliates have been paid, all required individuals have successfully completed the Initial Training Program, Franchisee has provided evidence of all required insurance coverages, and all required equipment, software and supplies have been obtained and installed in accordance with Franchisor's specifications.

3. If Franchisee fails to commence operations of the Franchised Business within four (4) months after the Effective Date of this Agreement, or, if applicable, within any extended period of time Franchisor approves in writing (including extensions granted due to delays in obtaining required permits or licenses), this Agreement will be deemed terminated upon written notice to Franchisee from Franchisor.

4. The parties further agree and acknowledge that if Franchisee is opening and operating the Franchised Business in multiple Territories pursuant to separate Franchise Agreements, then the applicable Franchise Agreement(s) for each Territory will control the timeline for opening and operating the Franchised Business in the event there is an inconsistency between those agreements and this Agreement. Franchisee must open and commence operations of the Franchised Business within the time period prescribed in the applicable Franchise Agreement(s) for the Territory(ies) in which it will operate.

D. **Licenses and Permits for Franchised Business**. Prior to opening, Franchisee must obtain and maintain (throughout the term of this Agreement) all required licenses, permits and approvals to establish, open and operate the Franchised Business at the Premises and within the Territory, including, without limitation, all required licenses and permits relating to junk hauling, removal and dumping. Franchisee must promptly respond to all additional requests by governmental agencies or entities or organizations issuing business licenses necessary to operate the Franchised Business.

E. **Licensing Requirements for Personnel**. Franchisee must ensure that the applicable Approved Services provided by the Franchised Business are only conducted by individuals that have the necessary licenses and/or other certifications or approval, if any, necessary to provide the Approved Services at issue. In addition, before any personnel (including any Operating Principal or Designated Manager) may engage in providing any of the Approved Services, such individual must have successfully completed the Initial Training Program and any other training Franchisor requires.

F. **Approved Vehicles; Approved Products and Approved Services**

1. *Approved/Authorized Vehicles.* Franchisee must operate the Franchised Business using trucks and containers that meet Franchisor's standards and specifications (the "Approved Vehicles" or the "Authorized Vehicles"). Franchisor may communicate these standards and specifications to Franchisee in any written or electronic communication, including through the Manuals. Franchisee must comply with all such standards and specifications. Franchisee must operate the Franchised Business with the following minimum number of Approved Vehicles: (a) if operating in one (1) Territory, at least one (1) Approved Vehicle; (b) if operating in two (2) Territories, at least two (2) Approved Vehicles, provided that Franchisor may permit Franchisee to commence operations with one (1) Approved Vehicle and add the second Approved Vehicle in accordance with the Vehicle Development Schedule (defined below); and (c) if operating in three (3) Territories, at least three (3) Approved Vehicles, provided that, with Franchisor's consent, Franchisee may commence operations with two (2) Approved Vehicles and add the third Approved Vehicle in accordance with the Vehicle Development Schedule. Unless otherwise authorized by Franchisor in writing, Franchisee must place orders for the initial Approved Vehicle within two (2) weeks after executing this Agreement. Franchisor has the right to designate a schedule (the "Vehicle Development Schedule"), setting forth Franchisee's obligation to acquire and place into service additional Approved Vehicles for use in operating the Franchised Business in the Territory(ies), and Franchisee agrees to comply with the Vehicle Development Schedule as further set forth below.

   Franchisee must acquire and place into service additional Approved Vehicles in accordance with the Vehicle Development Schedule. The key required milestone under the Vehicle Development Schedule is the date on which Franchisee orders the required Approved Vehicle and pays any required deposit. Franchisee must order, and pay any required deposit for, the next required Approved Vehicle no later than the earlier of: (i) one hundred twenty (120) days after opening; or (ii) the first month in which Gross Sales equal or exceed $25,000 per active Approved Vehicle. For a two-Territory Franchisee that opens with one (1) Approved Vehicle, Franchisee must order the second Approved Vehicle no later than one hundred twenty (120) days after opening or once monthly Gross Sales reach $25,000, whichever occurs first. For a three-Territory Franchisee that opens with two (2) Approved Vehicles, Franchisee must order the third Approved Vehicle no later than one hundred twenty (120) days after opening or once monthly Gross Sales reach $50,000, whichever occurs first.

   After the required Territory vehicle count is reached, Franchisee must add an additional Approved Vehicle whenever average Gross Sales per active Approved Vehicle is equal to or exceeds $25,000 in any given month, unless Franchisor approves a different schedule in writing. By way of example: (a) with one (1) active Approved Vehicle, Franchisee must add another Approved Vehicle when monthly Gross Sales reach $25,000; (b) with two (2) active Approved Vehicles, when monthly Gross Sales reach $50,000; (c) with three (3) active Approved Vehicles, when monthly Gross Sales reach $75,000; and

(d) with four (4) active Approved Vehicles, when monthly Gross Sales reach $100,000.

Franchisor reserves the right to adjust the Vehicle Development Schedule based on relevant circumstances, including seasonality, market size, truck availability, Territory size, customer demand, revenue performance, operational capacity, or Franchisee's approved launch plan.

Franchisor may require additional Approved Vehicles as a condition of approving additional Territories, expansion rights, renewal rights, or continued development rights. If Franchisee adds one or more Territories during the term of this Agreement, a new or updated Vehicle Development Schedule will be established. If Franchisee renews, Franchisor may establish updated vehicle requirements based on Franchisor's then-current standards, Franchisee's Territory count, and the needs of the business.

Franchisee's compliance with the required Vehicle Development Schedule is a material obligation under this Agreement because it affects customer service, Territory development, revenue capacity, brand standards, and system growth. If Franchisee fails to obtain, maintain, or operate the required number of Approved Vehicles, Franchisor shall have the right, at its sole discretion and without limiting any other rights or remedies available under this Agreement or at law or in equity to: (i) terminate this Agreement in its entirety upon written notice to Franchisee; (ii) reduce Franchisee's Territory; (iii) require a corrective action plan; (iv) modify the Territory; and/or (v) exercise any other remedy available under this Agreement.

Franchisee shall cause the Approved Vehicles to be branded in accordance with Franchisor's specifications. The Approved Vehicles must be wrapped or painted in signage and artwork as approved by Franchisor before Franchisee commences operation of the Franchised Business.

Franchisee agrees to maintain all Approved Vehicles in accordance with Franchisor's standards and specifications throughout the Term, including as designated in the Manuals. Without limiting the foregoing, Franchisee agrees to: (i) maintain the Approved Vehicles in good mechanical condition; (ii) keep the Approved Vehicles in reasonable cosmetic condition with an appearance that properly represents the brand and System to the public ("reasonable cosmetic condition" means the cosmetic conditions specified by Franchisor in writing, including the requirement that the Approved Vehicles have no visible, rust, dents or body damage); and (iii) improve vehicle appearance at the request of the Franchisor.

2. *Authorized Products and Services Only.* Franchisee must offer and sell only the Approved Products and Approved Services at the Franchised Business. Franchisee may not offer or provide any other products/services and must not deviate from Franchisor's System standards and specification related to the manner in which the Approved Services and Approved Products are offered and sold, unless Franchisor provides its prior written consent. Franchisor has the right to add additional, delete or otherwise modify certain of the Approved Services or Approved Products from time to time in the Manuals and otherwise in writing, as it deems appropriate in its sole discretion. In the event

of a dispute between Franchisee and Franchisor concerning Franchisee's right to carry any particular product or to offer any specific service, Franchisee will immediately remove the disputed products from inventory, remove the disputed service from those services offered at the Premises, or, if the same are not already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute. Franchisee acknowledges and agrees that Franchisor has the right to designate mandated and/or approved suppliers for any or all items, products, services, equipment and/or goods used, sold or offered in connection with the operation of the Franchised Business (each an "Approved Supplier"). Franchisee acknowledges that Franchisor, its affiliates and/or third parties may be designated as an Approved Supplier or the only approved supplier for any item, product, service, good and/or equipment, without restriction. Franchisee must comply with all such Approved Supplier and designated supplier designations. Without limiting the foregoing, unless otherwise specified by Franchisor in writing, Franchisee must purchase a GPS tracking device and GPS tracking service, point of sale system and related software, customer feedback software, a merchant account(s) for accepting various customer payment methods, merchant credit card processing system, pay-per-click advertising services, website management, search engine optimization ("SEO") and search engine marketing ("SEM") services, branded merchandise, uniforms, vehicles, and vehicle wraps from Approved Suppliers.

G. **Maintenance, Signs, and Inventory**. Franchisee must maintain at all times during the term of this Agreement and any renewals hereof, at Franchisee's expense, the Approved Vehicles, the Franchised Business, and all equipment, fixtures, furnishings, signs, artwork, décor items and inventory therein as necessary to comply with Franchisor's standards and specifications as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and replacements to the foregoing as Franchisor requires. Franchisee must, at its expense, replace each Approved Vehicle no later than seven (7) years from the date it is first placed into service (or earlier if required to meet Franchisor's then-current standards and specifications or due to the vehicle's condition), and upgrade such vehicles as necessary to conform to Franchisor's then-current standards and specifications for the Approved Vehicles. Upon the replacement and upgrade of Franchisee's Approved Vehicle(s), Franchisee agrees to follow all written instructions provided by Franchisor for the secure de-commissioning, transfer, and recommissioning of the Proprietary Vehicle Technology (as defined in Section 16(G) of this Agreement) from the older vehicle(s) to the new, and shall certify in writing to Franchisor, within ten (10) days after the transfer, that all such Proprietary Vehicle Technology has been transferred to the new vehicle(s) in accordance with Franchisor's instructions. Franchisee acknowledges that continued use or possession of the Proprietary Vehicle Technology following the replacement, upgrade, and/or repair of Franchisee's Approved Vehicle(s) constitutes an unauthorized use of Franchisor's intellectual property and confidential information. Franchisee must at all times keep the Approved Vehicle(s) in good operating order, clean and in reasonable cosmetic condition. “Reasonable cosmetic condition” means that the truck will have no visible, rust, dents or body damage.

H. **Compliance with Applicable Laws**. Franchisee must at all times conduct and operate the Franchised Business in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto, including, without limitation, any applicable Department of Transportation regulations governing the operation of the Approved Vehicles.

I. **Approved Vehicle; Vehicle Upfit and Decal Package**. Franchisee must: (i) purchase, lease, and/or maintain any and all Required Items that Franchisor designates for use in connection with the Franchised Business that may include, without limitation, the vehicles that must be used in connection with the Franchised Business, Computer System, equipment, supplies, inventory; (ii) ensure that all Required Items meet Franchisor’s standards and specifications; and (iii) purchase all items Franchisor specifies, including Approved Vehicles from the Approved Supplier(s) that Franchisor designates, which suppliers may include Franchisor and/or its affiliate(s), in addition to third party designated suppliers.

Franchisee agrees and acknowledges that Franchisor’s affiliate, Junk Start Equipment, LLC (“JSE”) is the sole Approved Supplier for vehicle upfitting and decals (the “Vehicle Upfit and Decal Package”), and Franchisee must purchase Franchisor’s designated Vehicle Upfit and Decal Package from such affiliate unless Franchisor specifies otherwise in writing. Franchisee agrees and acknowledges that Franchisor and/or its affiliates may derive revenue and other material consideration, without restriction, in connection with Franchisee purchases of the Required Items and from the purchase or lease of any item, product, vehicle, equipment and/or service. Franchisor may require Franchisee to upgrade the computer system hardware and/or software as well as any other Required Items within a reasonable time of receiving notification that such upgrades are required.

J. **Required Purchases of Inventory, Supplies and Services**. Franchisee must purchase all inventory and supplies Franchisor designates and must provide the Approved Products and Approved Services from Approved Suppliers (unless otherwise designated by Franchisor in writing). Franchisee must maintain such inventory/supply levels as Franchisor designates, and as Franchisee deems reasonably necessary and appropriate to meet current customer demand and any anticipated customer demand in the near future.

K. **Alternative Supplier Approval**. If Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, to the extent known. At Franchisor’s request, Franchisee must also provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. Franchisor is under no obligation to evaluate or approve alternate products or suppliers and may decline to do so in its sole discretion. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee must pay Franchisor its then-current product or supplier evaluation fee and reimburse Franchisor for its reasonable out-of-pocket testing costs and expenses, regardless of whether Franchisor subsequently approves the item or supplier. Franchisor will notify Franchisee in writing whether or not Franchisee's request is approved or denied within thirty (30) days from the date Franchisor receives all information and samples necessary to evaluate Franchisee's request. If Franchisor does not provide written approval within this time period, then Franchisee's request will be deemed denied. Franchisor may, but is not obligated to, provide Franchisee's proposed supplier with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor's prescribed form of non-disclosure agreement. Each supplier that Franchisor approves must comply with Franchisor's usual and customary requirements regarding insurance, indemnification and non-disclosure. If Franchisor approves any supplier, Franchisee may enter into supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee's performance of any supply contract. Franchisor may re-inspect and revoke Franchisor's approval of particular products or suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier. Franchisor is not required to provide to Franchisee or any supplier the evaluation criteria Franchisor uses.

Franchisor and its affiliates have the unrestricted right to receive rebates, commissions, payments, allowances and other consideration from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor and/or its affiliates receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor and/or its affiliate deems appropriate, and Franchisor and/or its affiliates will have no obligation to credit or remit any such amounts to Franchisee or to reduce any fees or amounts payable under this Agreement.

L. **Computer Issues**. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, data-related problems, and attacks by hackers and other unauthorized intruders in connection with the operation of the Franchised Business, including any proprietary software used in connection with the System. Franchisor may modify the System, Manuals and required computer hardware, software, services and integrations from time to time, and Franchisee will, at its expense, implement any updates, replacements or changes within the timeframes Franchisor specifies.

M. **Training Completion and Conference Attendance**.

1. Franchisee must ensure that Franchisee, its Operating Principal and any other designated personnel each successfully complete the Initial Training Program or appropriate portions thereof with respect to any designated personnel, prior to opening the Franchised Business. Franchisee agrees and acknowledges that

Franchisor may require Franchisee and its personnel to complete the components of the Initial Training Program that are provided via remote participation within 30 days of the date this Agreement is executed.

2. Franchisee agrees and acknowledges that Franchisee may be required to complete and/or satisfy the following Training Pre-Conditions before Franchisor will approve Franchisee or any of its designated trainees to attend the components of the Initial Training Program that are provided at Franchisor's headquarters or other designated training facility:

   i. submit, and obtain Franchisor's approval of, Franchisee's Grand Opening Marketing plan for the Franchised Business;

   ii. demonstrate that Franchisee has pre-paid all amounts in connection with the Grand Opening Marketing or is in a position to do so in the near future;

   iii. undertake all steps to establish the EFT Account, as described in Section 4(B) of this Agreement, including providing Franchisor and/or its designee with all authorizations and approvals necessary to access such EFT Account;

   iv. demonstrate that Franchisee has obtained all required insurance coverages as set forth in this Agreement and the Manuals; and

   v. provide Franchisor with completed copies of all agreements and contracts that are attached as Exhibits to this Agreement that are signed by Franchisee and/or appropriate third party(ies), to the extent such documents have not been signed, completed or need to be updated as of that date.

3. Franchisee must also ensure that Franchisee, its Operating Principal and any other designated personnel attend and complete any Additional Training or Remedial Training that may be required pursuant to this Agreement.

4. Franchisee agrees and acknowledges that it will be solely responsible for: (i) all costs associated with Franchisee and/or its designated personnel attending any initial or ongoing training provided by Franchisor or any third-party trainer pursuant to this Agreement; and (ii) paying Franchisor its then-current Training Fee for any (a) Additional Training requested by Franchisee, (b) Remedial Training that Franchisee is required to complete as part of its cure actions with respect to a default hereunder, or (c) any replacement or new personnel that needs to attend any portion of our Initial Training Program, as set forth in this Agreement.

5. Any failure by Franchisee or its Operating Principal to (a) attend and complete the Initial Training Program, or (b) any other training/conferences that such individual(s) are required to attend and/or complete hereunder will constitute

a material default of this Agreement and grounds for termination if not cured within the appropriate cure period set forth in this Agreement.

N. **Training of Personnel.** Franchisee or at least one (1) of Franchisee's personnel that has successfully completed the entire Initial Training Program must conduct training classes for, and properly train, all of Franchisee's employees on the Approved Services, advertising, maintenance of the Premises, the POS and computer system, as well as any other information that is relevant to each individual's role with the Franchised Business, including Franchisor's standards and specifications for operating the Franchised Business, as Franchisor may set forth in the Manuals or otherwise in writing. Further, at least one (1) person that has completed the entire Initial Training Program must manage the Franchised Business at all times.

O. **Hours of Operation; Staffing**. Franchisee shall keep the Franchised Business open and in normal operation for such minimum hours and days as Franchisor may prescribe in the Manuals or otherwise in writing. Franchisee agrees and acknowledges that Franchisor's System standards require that the Franchised Business have, at all times (including prior to opening), both (i) a primary operations lead (the "Operations Lead") and (ii) a primary salesperson ("Salesperson"). Franchisee may serve as the Operations Lead and/or the Salesperson, or may engage personnel to perform either or both of these roles, and Franchisee must ensure that the Franchised Business is sufficiently staffed at all times.

P. **Image**. Franchisee shall maintain the image of the Approved Vehicle and Franchised Business at all times in accordance with Franchisor's standards and specifications, including: (i) ensuring that each Approved Vehicle is maintained in a clean and orderly manner; and (ii) ensuring that all equipment, furniture and fixtures used in connection with the Franchised Business remains in good, clean condition.

Q. **Customer Lists and Data/Agreements; Privacy Laws**.

1. Franchisee must (i) maintain a list of all of its current and former Customers, as well as their properties and any Approved Services contracts associated therewith (the "Customer Information"), at the Premises; and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly return this information to Franchisor upon expiration or termination of this Agreement for any reason. This Customer Information is deemed "Confidential Information" (as later defined in this Agreement) and Franchisor's exclusive property hereunder, including all Approved Services contracts with such Customers. Franchisee acknowledges that Franchisor may have automatic access to any or all of this information via the Computer System and related software that Franchisor requires for use in connection with the Franchised Business.

2. Franchisee agrees to comply with all applicable laws pertaining to the privacy of the customer, employee, and transactional information ("Privacy Laws"). Franchisee further agrees to comply with Franchisor's standards and policies pertaining to Privacy Laws. If there is a conflict between Franchisor's standards and policies pertaining to Privacy Laws and actual applicable law,

Franchisee will: (i) comply with the requirements of applicable law; (ii) immediately give Franchisor written notice of said conflict; and (iii) promptly and fully cooperate with Franchisor in determining the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent.

R. **Required Communication**. Franchisee must comply with Franchisor's designated communication, interaction and engagement policies, procedures and specifications, including as may be designated in the Manuals.

S. **Promotional Prices; Pricing Guidelines**. To the extent permitted under applicable law, Franchisee must use commercially reasonable efforts to follow Franchisor's general pricing guidelines, including any promotional prices set by Franchisor for a particular Approved Product or Approved Service. As an independent contractor, however, Franchisee may exercise flexibility in meeting competition with respect to the pricing of the Approved Products and Approved Services.

T. **Operation of Franchised Business and Customer Service**. Franchisee shall manage and operate the Franchised Business in an ethical and honorable manner and must ensure that all those working at the Franchised Business provide courteous and professional services to customers and always keep its customers' interests in mind while protecting the goodwill of the Proprietary Marks, System and the Franchised Business. Franchisee must handle all customer complaints and requests for returns and adjustments in a manner consistent with Franchisor's standards and specifications, and in a manner that will not detract from the name and goodwill enjoyed by Franchisor. Franchisee must consider and act promptly with respect to handling of customer complaints and implement complaint response procedures that Franchisor outlines in the Manuals or otherwise in writing. All customer orders must be processed exclusively through Franchisor's Revenue Center, the Websites, and the Franchisor-designated point-of-sale system and related software, and Franchisee must enter all required customer, job and revenue data into the Required Software accurately and no later than the end of business each day, or as otherwise set forth in the Manuals.

U. **Access for Inspections/Audit**. To determine whether Franchisee is complying with this Agreement, Manuals and the System, Franchisor and its designated agents or representatives may at all times and without prior written notice to Franchisee: (i) observe and monitor the operation of the Franchised Business for consecutive or intermittent periods as Franchisor deems necessary; (ii) allow Franchisor to inspect, photograph, or videotape the Franchised Business, equipment, or operations therein; (iii) interview or survey personnel and Customers of the Franchised Business; and (iv) inspect, audit and/or copy any books, records, and agreements relating to the operation of the Franchised Business, including all financial information. Franchisee agrees to cooperate with Franchisor fully in connection with these undertakings by Franchisor (if taken) and take such steps as may be necessary to immediately correct the deficiencies detected during any such inspection. If Franchisor exercises any of these rights, Franchisor will use commercially reasonable efforts to not unreasonably interfere with the operation of the Franchised Business. In addition, Franchisor may, without notice, access Franchisee's computer systems, Required Software and applicable cloud-hosted accounts used in the Franchised Business to obtain data, reports and transactional details.

V. **Personal Participation by Franchisee**. Franchisee is not required to personally supervise and manage the day-to-day operation of the Franchised Business, although Franchisor recommends that Franchisee do so. Although Franchisee is not obligated to manage the Franchised Business, Franchisee must be fully aware of the goings-on of the Franchised Business and must devote sufficient time, attention, and best efforts to the leadership, promotion, development, and management of the Franchised Business. If Franchisee appoints a Designated Manager to handle the day-to-day management of the Franchised Business, the Designated Manager must either have an ownership interest in the Franchised Business or, if the Designated Manager does not have an ownership interest, Franchisee must obtain Franchisor's consent to the appointment. The Designated Manager must successfully complete the Initial Training Program (as designated by Franchisor) and all other training courses that Franchisor requires before assuming any management responsibility, and must execute a confidentiality and non-compete agreement in a form substantially similar to the form attached to this Agreement as Exhibit E. The Designated Manager must devote his or her full-time best efforts to the operation of the Franchised Business and may not have any interest or business relationship with any competitive business. Any replacement Designated Manager must successfully complete the Initial Training Program and be approved by Franchisor before assuming any management responsibility related to the Franchised Business. Regardless of whether Franchisee appoints a Designated Manager, Franchisee is solely responsible for all aspects of the operation of the Franchised Business and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept. If the Designated Manager or other required personnel is replaced or fails to complete initial training, Franchisee must ensure attendance at the next available session and pay any applicable additional training fees. Franchisor may require remedial training as part of curative actions in the event of default, at Franchisee's expense.

W. **Credit Cards and Payment Methods**. Franchisee must accept credit cards in connection with the Franchised Business to facilitate sales, including Visa, MasterCard, American Express, and Discover and any other major credit cards designated by Franchisor. Franchisee must also accept any other payment methods designated by Franchisor, which may include debit cards. Franchisee may also accept cash and/or checks in connection with the Franchised Business. Franchisee must maintain and use the merchant account(s), payment processing system(s), point-of-sale and payment gateway that Franchisor specifies or approves, and may use only Approved Suppliers for such services. All customer payments must be processed through the merchant accounts, payment gateways and point-of-sale systems designated or approved by Franchisor, and Franchisee must not process System transactions using any non-approved or off-system method. Franchisee agrees to comply with the then-current Payment Card Industry Data Security Standards ("PCI DSS"), as such standards may be revised and modified by the PCI Security Standards

Council (see www.pcisecuritystandards.org), or any successor organization or standards that Franchisor may reasonably specify. Franchisee's requirements include, but are not limited to, implementing the enhancement, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards, completing any required assessments, scans and certifications, and promptly remediating any areas of non-compliance, including by implementing any upgrades or changes Franchisor requires to maintain compliance with PCI DSS and Franchisor's standards.

X. **Payments to Franchisor**. Franchisee agrees to promptly pay Franchisor all payment and contributions that are due to Franchisor, its affiliates or any Approved Supplier. All amounts owed under this Agreement, including without limitation ongoing royalty fees (including any applicable minimum royalties), Brand Fund contributions, Revenue Center fees, technology or software fees, Late Reporting Fees, and any other amounts due to Franchisor, its affiliates or Approved Suppliers, shall be paid by electronic funds transfer from a bank account designated by Franchisee in accordance with Franchisor's then-current procedures. Franchisee must execute and maintain current electronic funds transfer authorizations, in the form designated by Franchisor (which may be substantially similar to the form attached as Schedule D), and maintain sufficient funds in the designated account to allow Franchisor to initiate debits for all undisputed amounts when due. Payments are due at the times and in the intervals Franchisor designates from time to time (currently monthly for royalties, Brand Fund contributions, Technology Fee, and Revenue Center fees for the prior month), and Franchisor may initiate debits to collect any undisputed amounts when due. Franchisor may, upon notice, require Franchisee to remit required local advertising expenditures directly to Franchisor for expenditure in Franchisee's market. Franchisee's payment obligations apply regardless of the profitability or performance of the Franchised Business.

Y. **Employment and Other Personnel Decisions**. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee's employees must be competent, conscientious, and properly trained. Franchisee must ensure that managers and other personnel designated by Franchisor attend and complete initial and/or additional training as Franchisor may require.

7. PROPRIETARY MARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS

A. **Ownership of Proprietary Marks**. Franchisee acknowledges the exclusive ownership and/or right to use the Proprietary Marks by Franchisor and/or its affiliate that owns the Proprietary Marks (including, without limitation, Junk Start IP, LLC), and Franchisee agrees that during the term of this Agreement and after its expiration or termination Franchisee will not directly or indirectly contest or aid in contesting the validity of the Proprietary Marks or the ownership or rights of the Proprietary Marks by Franchisor and/or such affiliate. Furthermore, Franchisee intends and hereby concedes that any commercial use Franchisee may make of the Proprietary Marks shall contribute and inure to the commercial use and benefit of Franchisor and/or such affiliate, which Franchisor (or its affiliate) may claim to strengthen and further secure ownership of the Proprietary Marks.

B. **Permitted Use**. It is understood and agreed that the use by Franchisee of Franchisor's Proprietary Marks applies only in connection with the operation of the Franchised Business at the Premises, and includes only such Proprietary Marks as are now designated, or which may hereafter be designated in the Manuals or otherwise in writing as part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by the Franchisor), and does not include any other mark, name, or indicia of origin of Franchisor now existing or which may hereafter be adopted or acquired by Franchisor.

C. **Use of Proprietary Marks in Advertising and Signage**. To develop and maintain high, uniform standards of quality and service and thereby protect Franchisor's reputation and goodwill, as well as that of the System, Franchisee agrees to:

1. Operate and advertise the Franchised Business only under the Proprietary Marks authorized by Franchisor as specified in this Agreement or the Manuals;

2. Maintain and display signage and advertising bearing the Proprietary Marks that reflects the current commercial image of the System and, upon notice from Franchisor, to immediately discard and cease use of Proprietary Marks or other imagery that has become obsolete and no longer authorized by Franchisor.

D. **Proprietary Marks are Sole Property of Franchisor**. Franchisee acknowledges that the Proprietary Marks, System, Manuals, and all other information and items delivered to Franchisee by Franchisor pursuant to this Agreement or in furtherance of the System, including without limitation, signage, video and audio tapes or disks, information communicated by electronic means, and intellectual property, are the sole and exclusive property of Franchisor and/or its affiliates (including, without limitation, Junk Start IP, LLC) as applicable, and Franchisee's right to use the same are contingent upon Franchisee's continued full and timely performance under this Agreement. Franchisee acknowledges it acquires no rights, interests, or claims to any of said property, except for Franchisee's rights to use the same under this Agreement for the term hereof and strictly in the manner prescribed. Franchisee agrees that it will not, during the term of this Agreement or any time thereafter, contest or challenge the sole and exclusive proprietary rights of Franchisor (and, if appropriate, Franchisor's affiliates) to the Proprietary Marks, System, Manuals, and other information, intellectual property, and items delivered or provided or to which Franchisee obtains access under this Agreement, including, without limitation, any domain names, websites, social media handles and telephone numbers used in connection with the operation of the Franchised Business; nor shall Franchisee claim any proprietary interest in such property. Franchisee agrees that it will not adopt, display, attempt to register or otherwise use any names, marks, insignias, or symbols in any business that are or may be confusingly similar to the Proprietary Marks licensed under this Agreement.

E. **Legal Action Involving Proprietary Marks**. Furthermore, Franchisee agrees to cooperate with and assist Franchisor and/or its affiliate/licensor in connection with any legal action brought by or against either of them regarding the protection and preservation of the Proprietary Marks, System, or the Manuals and other information and intellectual property delivered to Franchisee or used by Franchisee under this Agreement.

F. **Improvements**. Franchisee agrees to disclose promptly to Franchisor any and all inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by Franchisee or its employees or agents that are in any way related to the establishment or operation of the Franchised Business (collectively, the "Improvements"), all of which shall be automatically and without further action owned by Franchisor without compensation to Franchisee (including all intellectual property rights therein). Whenever requested to do so by Franchisor, Franchisee will execute any and all applications, assignments, or other instruments that Franchisor may deem necessary to apply for and obtain intellectual property protection or to otherwise protect Franchisor's interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that Franchisor cannot automatically own certain of the Improvements that may be developed, then Franchisee hereby agrees to grant Franchisor a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.

G. **Modification or Substitution of Marks by Franchisor**. If in Franchisor's reasonable determination, the use of Proprietary Marks in connection with the System will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Proprietary Marks, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify, discontinue, or to use one (1) or more additional or substitute trade or service Proprietary Marks then upon notice from Franchisor, Franchisee will terminate or modify, within a reasonable time, such use in the manner prescribed by Franchisor. If Franchisor changes the Proprietary Marks in any manner, Franchisor will not reimburse Franchisee for any out-of-pocket expenses that Franchisee incurs to implement such modifications or substitutions. Franchisor is not obligated to reimburse Franchisee for any loss of goodwill or revenue associated with any modified or discontinued Proprietary Mark, nor is Franchisor responsible for reimbursing Franchisee for any other costs or damages.

H. **Modification of Proprietary Marks by Franchisee**. Franchisee agrees not to make any changes or amendments whatsoever in or to the use of the Proprietary Marks unless directed by Franchisor in writing.

I. **Non-Exclusive Use of Proprietary Marks**. Franchisee understands and agrees that its right to use the Proprietary Marks is non-exclusive, that Franchisor in its sole discretion has the right to grant licenses to others to use the Proprietary Marks and obtain the benefits of the System in addition to the licenses and rights granted to Franchisee under this Agreement, and that Franchisor may develop and license other trademarks or service marks in conjunction with systems other than the System on any terms and conditions as Franchisor may deem advisable where Franchisee will have no right or interest in any such other trademarks, licenses, or systems.

J. **Acknowledgements**. With respect to Franchisee's use of the Proprietary Marks pursuant to this Agreement, Franchisee acknowledges and agrees that:

1. Franchisee shall not use the Proprietary Marks as part of Franchisee's corporate or any other business name. Franchisor may permit Franchisee to use the Proprietary Marks in connection with Franchisee's domain name, e-mail address and certain Franchisor-approved social media and social network profiles/pages; provided, however, Franchisee must strictly comply with all guidelines, specifications and procedures designated by Franchisor in connection with any such use, which guidelines, specifications and procedures may be communicated in the Manual or through other written communications. Franchisor reserves the right to revoke any such permission(s) at any time, effective on notice to Franchisee;

2. Franchisee shall not hold out or otherwise use the Proprietary Marks to perform any activity or incur any obligation or indebtedness in such a manner as might in any way make Franchisor liable therefor without Franchisor's prior written consent; and

3. Franchisee shall execute any documents and provide such other assistance deemed necessary by Franchisor or its counsel to obtain protection for Proprietary Marks or to maintain the continued validity of such Proprietary Marks.

K. **Use Outside Scope**. Franchisee acknowledges that the use of the Proprietary Marks outside the scope of this license without Franchisor's prior written consent is an infringement of Franchisor's exclusive right to use the Proprietary Marks and, during the term of this Agreement and after the expiration or termination hereof, Franchisee covenants not to directly or indirectly commit an act of infringement, contest or aid in contesting the validity or ownership of Franchisor's Proprietary Marks, or take any other action in derogation thereof.

L. **Notification of Infringement**. Franchisee shall notify Franchisor within three (3) calendar days of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee will not communicate with any persons other than Franchisor or Franchisor's legal counsel in connection with any such infringement, challenge, or claim. Franchisee acknowledges that Franchisor has the right to control any administrative proceeding or litigation involving the Proprietary Marks. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may be necessary in the opinion of counsel for Franchisor to carry out such defense or prosecution.

M. **Indemnification Regarding Marks**. Franchisor will indemnify and defend Franchisee against any third-party claim brought against Franchisee that arises solely out of Franchisee's authorized use of the Proprietary Marks licensed under this Agreement in connection with the Franchised Business, provided: (i) such use is in full compliance with Franchisor's standards and specifications; and (ii) Franchisee notifies Franchisor in writing of this third-party claim within three (3) calendar days of receiving notice or otherwise learning of the claim. Franchisor will have complete control over the defense and, if appropriate, settlement negotiations and resolution regarding the claims described in this Section, including the right to select legal counsel Franchisor deems appropriate. Franchisee must fully cooperate with Franchisor in connection with Franchisor's defense or settlement of any third-party claim that Franchisor determines to take control of under this Section 7. Notwithstanding anything in this Section to the contrary, Franchisor's liability under this Section shall be limited to no more than the Initial Franchise Fee paid under this Agreement.

N. **Other Obligations of Franchisee**. In addition to all other obligations of Franchisee with respect to the Proprietary Marks licensed herein, Franchisee agrees:

1. To feature and use the Proprietary Marks solely in the manner prescribed by Franchisor and not use the Proprietary Marks on the Internet or otherwise online, except as approved in writing by Franchisor; and

2. To observe all such requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.

8. MANUALS AND CONFIDENTIAL INFORMATION

A. **Manuals**. Franchisor will provide Franchisee with access to the Manuals. The Manuals shall at all times remain the sole property of Franchisor and any and all copies (hard copies or electronic files) of the Manuals must be returned to Franchisor upon termination or expiration and non-renewal of this Agreement. In order to protect the reputation and goodwill of Franchisor and the System, and to maintain uniform standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct the Franchised Business in strict accordance with Franchisor's Manuals. In order for Franchisee to benefit from new knowledge, information, methods, and technology adopted and used by Franchisor in the operation of the System, Franchisor may from time to time revise the Manuals, and Franchisee agrees to adhere to and abide by all such revisions (at its expense). Franchisee agrees at all times to keep its copy of the Manuals current and up to date. In the event of any dispute as to the contents of Franchisee's manual, the terms of the master copy of the Manuals maintained by Franchisor at its home office shall be controlling. Franchisor may provide any supplements, updates or revisions to the Manuals via the Internet, email, the System-wide intranet/extranet or any other electronic or traditional mediums it deems appropriate.

B. **Control of Franchised Business**. Franchisee acknowledges any Manuals provided by Franchisor to Franchisee are intended to protect Franchisor's standards, systems, names, and marks, and are not intended to control day-to-day operation of the Franchised Business. Franchisee further acknowledges and agrees that the Franchised Business will be under the control of the Franchisee at all times, and that Franchisee will be responsible for the day- to-day operation thereof.

C. **Confidential Information**. In connection with the operation of the Franchised Business, Franchisee will from time to time become acquainted with, work with, and even generate certain information, procedures, techniques, data, and materials that are and, by this Agreement, will become proprietary to Franchisor. Franchisee and all persons signing this Agreement agree to keep confidential any of Franchisor's trade secrets or proprietary information as defined below and will not use such for its or their own purpose or supply or divulge same to any person, firm, association, or corporation except as reasonably necessary to operate the Franchised Business. Franchisee agrees that it will have no proprietary interest in any work product developed or used by it that arises out of the operation of the Franchised Business. Franchisee will, from time to time as may be requested by Franchisor, do all things that may be necessary to establish or document Franchisor's ownership of any such work product, including without limitation, the execution of assignments.

D. **Trade Secrets and Confidential Information**. The confidentiality requirements set forth in the preceding paragraph will remain in full force and effect during the term of this Agreement and in perpetuity after its termination or expiration and non-renewal. Franchisor's trade secrets and proprietary/confidential information include the following:

1. The Manuals;

2. Any customer data, including the names, contact information, service preferences and any other information concerning users of the Approved Services, except for credit card numbers, bank information or other financial data related to the transaction of funds between the Franchisee and customers (collectively, the "Customer Data"); provided, however, that such excluded financial data shall nevertheless constitute Confidential Information and must be handled in accordance with applicable law and Franchisor's policies;

3. Any and all information and materials, including all items covered by copyright or any other intellectual property, associated with any proprietary software used in connection with the System;

4. Any information or materials, whether technical or non-technical, that are used in connection with or otherwise related to the establishment and operation of a Franchised Business or the System and are not commonly

known by, or available to, the public, including without limitation, any proprietary software; and

5. Any other information that may be imparted to Franchisee from time to time and designated by Franchisor as confidential (collectively, the "Confidential Information").

E. **Confidential Information as Property of Franchisor**. Franchisee acknowledges and agrees that the Confidential Information, which includes the Customer Data, including any customer information collected via the Revenue Center, the Websites, the CRM or other designated software, and any business goodwill of the Franchise are Franchisor's sole and exclusive property, and that Franchisee will preserve the confidentiality thereof. Upon the termination or expiration and non-renewal of this Agreement, all items, records, documentation, and recordings incorporating any Confidential Information will be immediately turned over by Franchisee, at Franchisee's sole expense, to Franchisor or to Franchisor's authorized representative.

F. **Information Not Confidential**. Excepted from Confidential Information for purposes of non-disclosure to any third parties by Franchisee and/or its Restricted Persons (as defined in Section 8(H) below) is information that:

1. Becomes publicly known through no wrongful act of Franchisee or Restricted Persons; or
2. Is known by Franchisee or Restricted Persons without any confidential restriction at the time of the receipt of such information from Franchisor or becomes rightfully known to them without confidential restriction from a source other than Franchisor.

G. **Reasonable Efforts to Maintain Confidentiality**. Franchisee shall at all times treat the Confidential Information as confidential and shall use all reasonable efforts to keep such information secret and confidential, including without limitation, all logins/passwords/keys necessary to access any component of the Computer System or related software used in connection with the Franchised Business. The Manuals must remain at the Premises and be kept in a secure location, under lock and key, except when it is being studied by Franchisee or Franchisee's employees. Franchisee shall not, at any time without Franchisor's prior written consent, copy, scan, duplicate, record, distribute, disseminate, or otherwise make the Manuals available to any unauthorized person or entity, in whole or in part.

H. **Prevention of Unauthorized Use or Disclosure**. Franchisee shall adopt and implement all reasonable procedures as Franchisor may prescribe from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. Franchisee must ensure and require that all of its officers, agents, directors, shareholders, trustees, beneficiaries, partners, employees, and independent contractors who may obtain or who are likely to obtain knowledge concerning the Confidential Information (collectively, "Restricted Persons") execute Franchisor's prescribed form of confidentiality agreement that will be in substantially the same form attached to this Agreement as Exhibit E (the "Confidentiality and Restrictive Covenant Agreement"). Franchisee must obtain a signed copy of the Confidentiality and Restrictive Covenant Agreement from any such person prior to, or at the same time of, that person undertaking its role and/or employment or association with Franchisee or the Franchised Business. Franchisee's spouse or significant other shall also be bound by the same requirement and shall sign the same Confidentiality and Restrictive Covenant Agreement. Franchisee must provide Franchisor with a copy of each signed Confidentiality and Restrictive Covenant Agreement within ten (10) days of Franchisor's request. If Franchisee is not able to provide a signed form for any Restricted Person within that 10-day period and Franchisee is not able to cure such a breach of its obligations by having that Restricted Person sign and return the Confidentiality and Restrictive Covenant Agreement, then Franchisor reserves the right to charge Franchisee a penalty fee amounting to $1,000 in addition to any other remedies that Franchisor may have under this Agreement or applicable law.

9. ADVERTISING

A. **Advertising and Sales Promotion Programs**. Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all or some of the Franchised Businesses operating under the System. Franchisee must participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including without limitation, the type/quantity/timing/placement and choice of media, and market areas and advertising agencies, the System standards and specifications established by Franchisor shall be final and binding upon Franchisee. Franchisor and its affiliates reserve the right to be the exclusive suppliers of the advertising materials used in the System. Franchisor may also request that Franchisee purchase and/or make copies of (and Franchisee's expense) and subsequently use certain other advertising or promotional materials that Franchisor designates for use in connection with the Franchised Business.

B. **Approval for all Advertising/Promotional Materials**. All advertising and promotion by Franchisee in any medium must be conducted in a professional manner and shall conform to Franchisor's standards and requirements, including, but not limited to social media guidelines, as set forth in the Manuals or otherwise. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials twenty (20) days prior to use if such plans and materials have not been prepared by Franchisor or previously approved by Franchisor during the twelve (12) months prior to their proposed use. Franchisee must submit unapproved plans and materials to Franchisor, and Franchisor will have fifteen (15) days to notify Franchisee of its approval or disapproval of such materials. If Franchisor does not provide its specific approval of the proposed materials within this fifteen (15) day period, the proposed materials will be deemed rejected. Any plans and materials that Franchisee submits to Franchisor for its review will become Franchisor's property and there will be no restriction on Franchisor's use or dissemination of such materials. Once approved, Franchisee may use the proposed materials for a period of ninety (90) days, unless Franchisor prescribes a different time period for use or requires Franchisee to discontinue using the previously approved materials in writing. Franchisor may revoke its approval of any previously approved advertising materials upon notice to Franchisee. Franchisor reserves the right to require Franchisee to include certain language on all advertising to be used locally by Franchisee or to be used by a Cooperative, including, but not limited to, the phrase "Franchises Available", the telephone number for the Revenue Center, the address(es) of the Websites, and a statement that the business is an independently owned and operated franchise.

C. **Grand Opening Marketing**. Franchisee must spend a minimum of $15,000 if operating in one (1) Territory, a minimum of $30,000 if operating in two (2) Territories, or $45,000 if operating in three (3) Territories, on an initial marketing and advertising campaign to promote the opening of the Franchised Business ("Grand Opening Marketing"). This Grand Opening Marketing is also required if Franchisee has purchased an existing Franchised Business. Franchisor must approve of the initial marketing campaign before Franchisee conducts it, and Franchisee must carry out the approved campaign for a four (4) month period, which may begin prior to the opening of the Franchised Business, or at the time of the resale if Franchisee has purchased an existing Franchised Business. Prior to their use, all initial marketing materials must be approved by Franchisor. Franchisor will have the right to approve and/or designate the type of expenditures that are made as part of Franchisee's Grand Opening Marketing. The amounts Franchisee spends in connection with the Grand Opening Marketing are typically not refundable. Grand Opening Marketing expenditures will be in addition to any Local Advertising expenditures and Fund Contributions, as set forth in this Agreement.

D. **Local Advertising.** Franchisee shall comply with the following requirements in regard to local advertising: Franchisee must expend a minimum of eight percent (8%) of Gross Sales each month on local advertising and marketing during the Term of this Agreement (the "Local Advertising Requirement"), in addition to any Fund Contributions and any Grand Opening Marketing. The Local Advertising Requirement commences upon the expiration of the approved period for the Grand Opening Marketing. Upon Franchisor's written request, Franchisee must provide invoices and other documentation reasonably necessary to demonstrate compliance with the Local Advertising Requirement. Local advertising must be conducted in a dignified and professional manner, conform to System standards, and be pre-approved where required under Section 9(B). Franchisor and its affiliates reserve the right to be the exclusive suppliers of advertising materials used in the System and may require Franchisee to utilize approved or designated suppliers. Franchisor may require Franchisee to place advertising in specific media (including print, social media, and direct mail) and to allocate specified percentages among such media. Franchisor also reserves the right, upon written notice, to require Franchisee to pay all or a portion of the Local Advertising Requirement directly to Franchisor for expenditure on local advertising and promotion in Franchisee's market area. Franchisee's expenditures on approved social media platforms and content that comply with Franchisor's social media guidelines may be credited toward the Local Advertising Requirement. All local advertising must include any required language or content specified by Franchisor, which may include, without limitation, the Revenue Center telephone number, the address(es) of the Websites, and a statement that the business is an independently owned and operated franchise.

1. Upon Franchisor's written request, Franchisee must provide Franchisor with invoices and other documentation necessary to demonstrate that Franchisee is in compliance with its monthly expenditure requirement. Franchisor reserves the right to require Franchisee to pay the Local Advertising Requirement to Franchisor on notice to Franchisee at any time.

2. Franchisor may require Franchisee to prepare an initial comprehensive local advertising plan and program prior to opening the Franchised Business, or at the time of resale if you purchased an existing Franchised Business, that details Franchisee's budget and anticipated expenditures for the Local Advertising Requirement for the Franchised Business's first year of operations, which must be approved by Franchisor prior to opening. Franchisor may further require that Franchisee submit an annual Local Advertising Requirement plan or program for each subsequent year of the Franchised Business's operation on or before the beginning of the Franchised Business's fiscal year that must be approved by Franchisor prior to implementation. Franchisor may from time to time provide to Franchisee, at Franchisee's expense, such approved advertising and promotional plans and materials as Franchisor deems advisable. Franchisor may, as it deems necessary in its sole discretion, provide general guidelines for conducting local advertising so as to better assist Franchisee. Within thirty (30) days after the end of each month, Franchisee shall furnish to Franchisor an accurate accounting of the expenditures on local advertising for the preceding month.

3. Franchisor may require Franchisee to obtain and maintain a dedicated phone line for use in connection with the Franchised Business, or, if required by Franchisor, to route calls through and utilize the Revenue Center in accordance with Franchisor's directives, and, if required, to ensure that the Franchised Business is listed in the appropriate directories that Franchisor designates. Franchisee must assign any and all such phone listings and lines to Franchisor, at Franchisor's option, upon termination, expiration, or transfer of this Agreement. Franchisor may require Franchisee to list and advertise the telephone number(s) for the Franchised Business in online directories or other business directories distributed in its trade area.

4. Furthermore, Franchisee shall, at Franchisor's request, obtain listings and/or advertise with Franchisor and other franchisees of the System in online directories, as designated by Franchisor. In the event Franchisee does not comply with Franchisor's requests regarding such online listings or advertisement, Franchisor reserves the right to place, modify, or remove such listings and advertisements on behalf of Franchisee. For any listings or advertisements that Franchisor posts on behalf of Franchisee due to Franchisee's non-compliance under this Section, Franchisee shall promptly pay, upon demand by Franchisor, its pro rata share of the costs of such listings or advertisements. Upon termination, transfer, or expiration of this Agreement, Franchisee agrees to take any and all steps necessary to assist Franchisor in removing or assigning control of all listings under this Section

to Franchisor. Franchisee may not advertise and promote the Franchised Business outside of the Territory, unless Franchisee secures Franchisor's prior written consent, which may be granted or withheld in Franchisor's sole and absolute discretion, and which may be conditioned upon Franchisee's execution of agreements and/or acknowledgments in the forms designated by Franchisor. Nothing in this Section shall prevent or otherwise affect Franchisee's right to continue servicing and corresponding with any existing accounts that Franchisee has assumed in accordance with the terms of this Agreement.

E. **Brand Development Fund**. Franchisor has established a Fund for promoting the System, Marks and Approved Services. Franchisee is required to make monthly contributions to the Fund amounting to two and one-half percent (2.5%) of the Gross Sales of the Franchised Business from the preceding month, payable at the same time and in the same manner as the Royalty Fee. Franchisor reserves the right to increase the Brand Development Fund contribution up to three percent (3%) of Gross Sales upon thirty (30) days written notice to Franchisee.

1. The Fund is used for national and regional advertising, publicity, brand development and promotion relating to the System and Approved Services. Franchisor, in its sole discretion, determines how the Fund is spent and administered. Without limiting this broad discretion, the Fund may be used to meet any and all costs of maintaining, administering, directing and preparing national and/or regional advertising materials, programs and public relations activities including, without limitation, the cost of (i) preparing and conducting television, radio, magazine, billboard, newspaper, direct mail and other media programs and activities; (ii) preparing promotional brochures, coupons and other marketing materials; (iii) conducting marketing surveys and test marketing; (iv) digital/social media and email marketing efforts; (v) developing, optimizing and maintaining the System website; (vi) development of customer facing technology; (vii) attendance and participation in industry trade shows; (viii) digital media marketing and social media marketing; and (ix) employing third party agencies, including outside vendors and consultants, to assist therewith. Franchisor may use the Fund in connection with any existing and any future developed media, marketing platforms and/or methods of marketing and/or advertising without restriction.

2. Franchisor shall oversee all advertising, publicity, brand development and promotional programs, with sole control over creative concepts, materials, media used and placement and allocation thereof. Franchisor does not warrant that any particular franchisee will benefit directly or pro rata from expenditures by the Fund. Franchisor is not required to spend any of your Fund contributions in your Territory. Franchisor is not obligated to maintain any advertising program or spend any amount on advertising or marketing in Franchisee's Territory.

3. The Fund may be used to meet any and all costs associated with customer retention management ("CRM"), current and future developed marketing media, methods and platforms, marketing automation platforms, social media marketing

platforms, marketing feature development (including in our work order platform), development of marketing related dashboards and/or marketing components of such dashboards. All Fund contributions will be maintained in a separate account from the monies of Franchisor. With the exception of costs and expenses (including overhead and salaries) incurred in connection with activities related to the maintenance, direction, or administration of the Fund, and/or Fund activities, Fund contributions will not be used to defray any of Franchisor's general operating expenses. The Fund may also be used to cover any software and other technology Franchisor determines to provide Franchisee with access to that is covered by Fund contributions.

4. Franchisor may spend all Fund contributions during Franchisor's fiscal year within which such contributions are made; however, Franchisor has no obligation or duty to do so. If excess amounts remain in any Fund at the end of such fiscal year, these excess amounts will roll over into the Fund for the following fiscal year. Fund contributions are not refundable at any time, including upon termination or expiration of the Franchise Agreement.

5. Franchisor has the right to suspend or terminate the Fund at any time.

6. Franchisor may not use Fund contributions principally to develop materials and programs to solicit franchisees. However, media, materials and programs prepared using Fund contributions may describe the franchise program, reference the availability of franchises and related information and process franchise leads.

7. Franchisor may structure the Fund's organization and administration in any way Franchisor determines. Franchisor may organize and reorganize the Fund into a separate entity, as Franchisor deems appropriate, and Franchisor may transfer all Fund contributions and assets to the entity. Franchisor may require you to pay the Fund contributions directly to the entity.

8. If Franchisee submits a written request to Franchisor on or before March 31 of a given calendar year, Franchisor will provide Franchisee with an unaudited accounting of the operation of the Fund (which may be prepared internally) for the immediately preceding calendar year within 30 days following the completion of such accounting and in no event, no sooner than 120 days after Franchisor's fiscal year end. The cost of the accounting and any accompanying statement will be paid out of Fund contributions. Franchisor retains the right to have the Fund reviewed or audited and reported on, at the expense of the Fund, by an independent certified public accountant selected by Franchisor, but is under no obligation to do so.

9. Franchisee agrees and acknowledges that the Fund is not a trust and the Franchisor has no fiduciary duty to Franchisee in administering the Fund.

F. **Advisory Council**. Franchisor may establish, if and when it deems appropriate and in its sole discretion, a franchise advisory council to provide advice and guidance to Franchisor regarding various components of the System, which may include marketing and advertising matters (a "FAC"). If Franchisor establishes a FAC, it may serve in only an advisory capacity and may consist of franchisees, personnel from Franchisor's affiliate-owned Franchised Businesses, or other management/employees that Franchisor designates. If a FAC is established, the membership of such Advisory Council, along with the policies and procedures by which it operates, will be determined by Franchisor. The recommendations of a FAC shall not be binding on Franchisor.

G. **Website**. Franchisor may establish an interior page on its corporate website to display the Premises and contact information associated with the Franchised Business, including any telephone number(s) designated by Franchisor and links to Franchisor's websites and the Revenue Center, for so long as (i) the Franchised Business is open and actively operating, and (ii) this Agreement is not subject to termination. If Franchisor creates and includes any information about Franchisee on a website, then Franchisor may require Franchisee to prepare all or a portion of the page, at Franchisee's expense, using a template that Franchisor provides. Franchisee may not establish any separate website or other Internet presence in connection with the Franchised Business, System or Proprietary Marks without Franchisor's prior written consent. If approved to establish a separate website, Franchisee acknowledges that Franchisor is, and shall be at all times, the owner of all right, title and interest in and to the website. Franchisee must comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such website. Franchisee specifically acknowledges and agrees that any website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement and will be subject to (among other things) Franchisor's approval as described in this Section 9. Franchisee may not promote or otherwise list its Franchised Business, or the Proprietary Marks or System, on any social media or networking site, including without limitation, Facebook, LinkedIn, Instagram, X or YouTube, without Franchisor's prior written consent, or as otherwise authorized by Franchisor in writing in the Manuals (which authorization may be revoked at any time on notice to Franchisee) and agrees to participate in any parent-child relationships Franchisor creates on any social media or networking site. Franchisor shall have the right to modify the provisions of this Section relating to Franchisee's use of separate websites and social media, as Franchisor determines necessary or appropriate. Franchisee must follow Franchisor's social media policies and directives as set forth in the Manuals. Franchisee must also turn over all passwords to any social media websites or similar internet-based mediums immediately upon creation and must promptly provide Franchisor with administrative credentials for any approved website or social media account and maintain Franchisor's independent access to data stored on any such platform. Franchisor may require Franchisee to maintain a dedicated business telephone line(s) for the Franchised Business and Franchisee agrees to transfer such number(s) to Franchisor upon termination or expiration of this Agreement pursuant to the Conditional Assignment referenced above.

H. **Cooperatives**. Franchisor may establish regional advertising cooperatives comprised of franchised and Company-Owned Businesses located within a geographical region designated by Franchisor (each, a "Cooperative"). If a Cooperative is established for the geographic area in which the Franchised Business is located and Franchisee is designated as a member, Franchisee must become a member and may be required to contribute to the Cooperative in amounts determined by the Cooperative in accordance with its governing documents (including by majority vote). All amounts paid to a Cooperative may be applied toward Franchisee's Local Advertising Requirement, but will not reduce or offset any required contributions to the Brand Development Fund. Franchisor may specify, approve and modify the governing rules, terms and operating procedures of any Cooperative, and may dissolve, merge or change the structure of a Cooperative. All Cooperative advertising plans and materials must be approved by Franchisor before use, and a Cooperative will not conduct advertising that is principally a solicitation of franchise sales. Contributions to and funds of any Cooperative will be maintained and administered by Franchisor or the Cooperative, as designated by Franchisor. Failure to make required Cooperative contributions is a breach of this Agreement.

10. ACCOUNTING AND RECORDS

A. **Maintenance of Records**. Franchisee must, in a manner satisfactory to Franchisor and in accordance with generally accepted accounting principles, maintain original, full, and complete register tapes, computer files, back-up files, other records, accounts, books, data, licenses, contracts, and product vendor invoices which shall accurately reflect all particulars relating to the Franchised Business, as well as other statistical and financial information and records Franchisor may require. All of this information must be kept for the duration of this Agreement and for a period of at least three (3) years thereafter. Upon Franchisor's request, Franchisee must furnish Franchisor with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature, including without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to the Franchisor under this Section 10 shall belong to Franchisor and may be used and published by Franchisor in connection with the System (including in Franchisor's disclosure documents).

B. **Examination and Audit of Records**. Franchisor and its designated agents shall have the right to examine and audit Franchisee's records, accounts, books, computer files and data, including any proprietary software used in connection with the System, at all reasonable times to ensure that Franchisee is complying with the terms of this Agreement. If such audit discloses that Franchisee has underreported the Gross Sales of the Franchised Business (or any amount due to Franchisor) by two percent (2%) or more in any given reporting period (weekly, monthly or otherwise), then Franchisee must: (i) reimburse Franchisor any costs/expenses incurred in connection with conducting the inspection and audit; and (ii) immediately pay any amount due and owing Franchisor as a result of Franchisee's underreporting, along with any accrued interest on said amounts from the original due date until paid in full.

C. **Computer System for Records**. Franchisee shall record all transactions of the Franchised Business on a Computer System designated or approved by Franchisor, which must contain software that allows Franchisee to record accumulated sales without turning back, resetting or erasing such sales. Franchisor will, at all times and without notice to Franchisee, have the right to independently and remotely access and view Franchisee's Computer System as described in Section 4(C) of this Agreement.

D. **Computer System Files and Passwords**. Franchisee shall not install or load any computer software on the hard disks of the Computer System used in connection with the Franchised Business without Franchisor's prior written consent. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to that list. The passwords to access the Computer System located at the Premises or used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and information upon the termination or expiration of this Agreement. Consistent with the other provisions of this Agreement, Franchisee agrees and acknowledges that Franchisor may have automatic access to Franchisee's specific passwords/keys/logins through the Computer System components and related software that Franchisor requires Franchisee to use in connection with the Franchised Business. In addition, Franchisee must provide Franchisor with an independent login and password for Franchisee's accounting software that has accountancy-level privileges and must ensure that Franchisor has independent electronic access to all data stored in Franchisee's Computer System and on any cloud-based platforms utilized for the Franchised Business.

E. **Current Contracts, Listings and Projects**. At any time and upon request of Franchisor, Franchisee shall provide Franchisor with a copy or summary listing, at Franchisor's discretion, of all current contracts, listings, agreements, and projects related to Customers and/or properties that Franchisee is involved in or working with.

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

G. **Right to Require Audit if Franchisee Underreports**. In the event a prior audit or inspection conducted by Franchisor (or its designee) has revealed that Franchisee has underreported the Gross Sales of the Franchised Business by two percent (2%) or more for any reporting period as described in Section 10(B), then Franchisor may require Franchisee to provide, at the Franchisee's expense, audited financial statements that comply with GAAP and GAAS for Franchisee's fiscal year within 120 days of Franchisee's fiscal year end.

H. **Change to Ownership of Franchisee**. In addition to the foregoing statements, Franchisee must provide Franchisor with written reports regarding any authorized change to: (i) the listing of all owners and other holders of any type of interest (legal or beneficial) in Franchisee or the Franchised Business; and (ii) Franchisee's partners, officers, directors, as well as any of the Operating Principal(s) and/or Designated Manager(s) that manage the day-to-day operations of the Franchised Business.

Franchisee will notify Franchisor in writing within ten (10) days after any such change, unless Franchisee is required to first notify Franchisor and obtain its approval prior to making any such change.

11. INSURANCE

A. Franchisee must procure and maintain at all times the following insurance policies at Franchisee's sole expense, which must additionally meet the standards and requirements set forth in the Manuals: (1) Commercial General Liability insurance in the amount of $1,000,000 per occurrence and $2,000,000 in the aggregate, including (a) damages to rented premises in the amount of $300,000 per occurrence; (b) medical expenses in the amount of $5,000 per individual; (c) products-completed operations liability in the amount of $2,000,000 in the aggregate; and (d) personal and advertising injury in the amount of $1,000,000; (2) automobile liability insurance covering owned, non-owned and hired vehicles in the amount of at least $1,000,000 combined single limit per accident; (3) umbrella/excess liability insurance in the amount of $2,000,000 per occurrence, and $2,000,000 in the aggregate; (4) Workers' Compensation and Employers' Liability insurance as required by the state in which your Franchised Business operates; and (5) any other insurance we require during the term of this Agreement. All policies must be written by a responsible carrier or carriers whom Franchisor determines to be acceptable and must satisfy the additional insured and notice requirements of this Section 11 and the Manuals.

B. If Franchisee fails for any reason to procure and maintain the required insurance coverage, Franchisor has the right and authority (without having any obligation to do so) to immediately procure such insurance coverage, in which case Franchisee must: (i) reimburse Franchisor for all costs and expenses incurred to obtain the required insurance (including any premium amounts paid); and (ii) pay to Franchisor a premium administration fee equal to ten percent (10%) of the premium amount, as consideration for securing the required insurance on Franchisee's behalf. Each insurance policy required in order to meet the standards and requirements set forth in the Manuals must contain a provision that the policy cannot be cancelled or amended without at least thirty (30) days prior written notice to Franchisor. The insurance must be primary coverage without the right of contribution from any of our insurance.

C. Evidence of Coverage; Changes; Designated Carriers. Without limiting Section 11(D), each policy must name Franchisor and the other additional insureds required by this Agreement and must provide at least thirty (30) days' prior written notice to Franchisor of any cancellation, non-renewal, or material change. Franchisee must furnish certificates of insurance and, upon request, copies of policies and endorsements evidencing compliance upon inception and annually thereafter, and at any other time upon Franchisor's request. Franchisor may change the types and limits of insurance required by updating the Manuals or otherwise by written notice to Franchisee, and, upon at least thirty (30) days' prior written notice of any such change, Franchisee must comply within the time specified in the notice. Franchisor may designate one or more insurance companies or programs through which Franchisee must obtain required coverage.

D. Each insurance policy required under this Agreement and/or the Manuals, other than workers' compensation, must include an additional insured endorsement approved in writing by us naming Franchisor, its affiliates and respective officers, directors, managers, partners, members, affiliates, subsidiaries and employees as additional insureds. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of us or other additional insureds. Franchisee shall maintain such additional insured status for us on Franchisee's general liability policies continuously during the Term. Franchisee must provide Franchisor with certificates of insurance demonstrating compliance with the insurance coverage and additional insured endorsement requirements set forth in this Agreement on an annual basis, including at the time Franchisee renews any such policy.

E. Franchisee's obligation to obtain and maintain the insurance policies in the amounts specified in this Section 11 or the Manuals shall not be limited in any way by reason of any insurance that may be maintained by Franchisor, nor shall Franchisee's procurement of required insurance relieve Franchisee of liability under the indemnification provisions set forth in this Agreement. Franchisee's insurance procurement obligations under this Section 11 and as specified in the Manuals are separate and independent of Franchisee's indemnification obligations under this Agreement.

12. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. **No Fiduciary Relationship**. In all dealings with third parties, including without limitation, employees, suppliers, and customers, Franchisee shall disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties hereto either to create a fiduciary relationship between them or to constitute the Franchisee an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of Franchisor for any purpose whatsoever.

B. **Independent Contractor Relationship**. It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation or to create any obligation on behalf of Franchisor. Upon Franchisor's request, Franchisee must display a sign in its Franchised Business displaying the following phrase (or something similar): "This Franchised Business is independently owned and operated pursuant to a license agreement."

C. **Indemnification**.

1. Franchisee, as a material part of the consideration to be rendered to Franchisor, agrees to indemnify, defend and hold Franchisor, as well as Franchisor's directors, officers, principals/owners, managers, shareholders, affiliates (including any affiliate supplier), subsidiaries, employees, servants, agents, successors and assignees (collectively, the "Indemnitees"), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and

expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "Claims") that arise out of or are otherwise related to Franchisee's (a) breach or attempted breach of, or misrepresentation under, this Agreement, and/or (b) ownership, construction, development, management, or operation of the Franchised Business in any manner. Notwithstanding the foregoing, at Franchisor's option, Franchisor may choose to engage counsel and defend against any such Claim and may require immediate reimbursement from the Franchisee of all expenses and fees incurred in connection with such defense. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

13. TRANSFER AND ASSIGNMENT

A. **No Transfer by Franchisee Without Franchisor's Approval**. Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in this Agreement or the Franchised Business (or undertake any of the actions identified in Section 13(C) of this Agreement) without Franchisor's prior written consent. Any sale, transfer, assignment or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein. Any approved transfer will be conditioned upon Franchisee's and the proposed transferee's satisfaction of all applicable conditions set forth in this Agreement, including the transferee's execution of Franchisor's then-current form of franchise agreement for the remainder of the then-current term and payment of the then-current transfer fee and any applicable brokers' fees. Notwithstanding the foregoing, no transfer fee will be charged for a transfer to an entity formed for the convenience of ownership, an approved intra-family transfer, or a transfer arising upon death or mental incompetency.

B. **Death or Disability**.

1. In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation of Franchisee's principals/owners/guarantors), Franchisee's legal representative, or Franchisee's partner's or guarantor's respective legal representative, as applicable, will have the right to continue the operation of the Franchised Business as "Franchisee" under this Agreement if: (i) within ninety (90) days from the date of death, disability or incapacity (the "90 Day Period"), such person has obtained Franchisor's prior written approval and has executed Franchisor's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company Franchisee's obligations to Franchisor and Franchisor's affiliates; and (ii) such person successfully completes Franchisor's training program, subject to Franchisor's then-current training fees as provided in this Agreement and/or the Manuals. Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the

conditions imposed by the Franchise Agreement and are acceptable to Franchisor.

2. Franchisor is under no obligation to operate the Franchised Business or incur any obligation on behalf of any incapacitated franchisee, during or after the 90 Day Period. If necessary, Franchisee (or Franchisee's legal representative, as applicable) shall appoint a previously approved acting interim manager to operate the Franchised Business during the 90 Day Period. In the event of Franchisee's death, disability, absence or otherwise, Franchisor may (but is not required to) operate the Franchised Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Business to cover any or all past, current and/or future obligations of the Franchised Business (including any amounts owed to Franchisor and/or any affiliate) in such priorities as Franchisor determines in Franchisor's sole discretion. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorney's fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Franchised Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Business.

3. Franchisor will not collect any transfer fee if there is a transfer under this Section 13(B) to an immediate family member of the Franchisee that Franchisor approves pursuant to Section 13(E).

C. **Ownership.** In addition to those acts described in Section 13(A), a transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Franchisee is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's ownership shares/stock or any increase in the number of outstanding shares/stock of Franchisee's ownership/membership units that results in a change of ownership; (ii) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company. Any new partner, shareholder, or member or manager having an ownership interest in the surviving entity after the proposed transfer will be required to personally guarantee Franchisee's obligations under this Agreement. A transfer pursuant to (i) and (iii) above shall not be subject to Franchisor's right of first refusal as set forth in Section 13(D) so long as there is no change in control (ownership or otherwise) with respect to Franchisee.

D. **Right of First Refusal.** If (a) Franchisee proposes to transfer any of its interest in this Agreement or the Franchised Business or any interest in its lease for the Premises, or (b) Franchisee's owners propose to transfer any interest in Franchisee if Franchisee is an entity (other than a corporation or limited liability company as set forth in

Section 13(C) hereof or in the event of Franchisee's death/disability as set forth in Section 13(B)), then Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 13(E) of this Agreement. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. Any material change in the terms of the offer will be deemed a new proposal subject to Franchisor's right of first refusal and Franchisor will have another thirty (30) day period to exercise Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, a transfer as a result of the death, disability or incapacitation of a shareholder or partner, or a transfer from an individual Franchisee to a newly-established legal entity wholly owned by Franchisee, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

E. **Conditions for Approval.** Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Business or of Franchisee's interest in this Agreement or any other acts of transfer described in Section 13(C) upon satisfaction of the following occurrences:

1. All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated/approved suppliers and vendors, are satisfied;

2. Franchisee must cure all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, Franchisor's designated/approved suppliers and vendors, within the period permitted for cure and have substantially complied with such agreements during their respective terms;

3. Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities;

4. Franchisee or transferee shall provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of, and agreement to, faithfully perform all of Franchisee's obligations under this Agreement;

5. The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the Franchised Business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; however, the transferee shall not be engaged in the same business as Franchisor, whether as a licensor, franchisor, independent operator, or licensee of any other business or chain that is similar in nature to or in competition with Franchisor, except that the transferee may be an existing franchisee of Franchisor.

6. The transferee shall execute Franchisor's then-current franchise agreement (which may contain materially different terms than this Agreement) for the remaining balance of Franchisee's term under this Agreement, with transferee's term commencing on the date the transferee executes the then-current franchise agreement;

7. Franchisee or transferee shall pay Franchisor a transfer fee equal to Fifteen Thousand Dollars ($15,000), plus applicable brokers' fees, except in the case of (i) a transfer to a corporation formed for the convenience of ownership, or (ii) for approved intra-family transfers or for a transfer which arises upon death or mental incompetency.

8. The transferee shall satisfactorily complete Franchisor's Initial Training Program within the time frame Franchisor sets forth without paying an additional tuition fee, but the transferee will be responsible for all costs and expenses associated with attending the Initial Training Program;

9. Franchisee (and Franchisee's principals/guarantors if Franchisee is a partnership, corporation or limited liability company) shall comply with the post-termination provisions of this Agreement;

10. The transferee must demonstrate that it has obtained or maintained, within the time limits set by Franchisor, all permits, and licenses required for the continued operation of the Franchised Business;

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

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

Franchisor will not unreasonably withhold its consent to a proposed transfer or assignment requested by Franchisee, provided the foregoing conditions are met. Franchisor's approval of a transfer shall not operate as a release of any liability of the transferring party nor shall such approval constitute a waiver of any claims Franchisor may have against the transferring party. Furthermore, Franchisor agrees that

Franchisee will not be required to pay any transfer fee in the event: (i) Franchisee wishes to transfer its rights under the Franchise Agreement to a newly-established legal business entity that is wholly owned by Franchisee and established solely for purposes of operating the Franchised Business under the Franchise Agreement; or (ii) Franchisee is required to encumber certain assets of the Franchised Business (or subordinate Franchisor's security interest thereto) in order to receive SBA or other traditional bank financing, provided Franchisor otherwise approves of the transfer.

F. **Transfer from an Individual Franchisee to Business Entity**. If Franchisee is an individual and desires to assign its rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee or training tuition fees set forth in Section 13(E)(7)-(8), and such assignment will not be subject to Franchisor's right of first refusal in Section 13(D): (i) the corporation or limited liability company is newly organized and its activities are confined to operating the Franchised Business; (ii) the entity at issue is wholly owned by Franchisee (and no other party); (iii) the corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder; and (iv) all stockholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and execute the Personal Guaranty attached to this Agreement as Exhibit B.

G. **Franchisor's Right to Transfer**. Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

H. **Option to Purchase.** Upon the expiration or termination of this Agreement, and for thirty (30) days thereafter, Franchisor has the option to purchase all of the rights granted to Franchisee under this Agreement, along with this Agreement and all assets associated with the Franchised Business as of the date Franchisor provides Franchisee with the "Option Notice" defined below in accordance with the terms of this Section (the "Option").

1. *Option Period.* Franchisor may exercise the Option at any point within thirty (30) days following the expiration or termination of this Agreement. Franchisor must provide Franchisee with written notice of its intention to exercise the Option (the "Option Notice").

2. *Purchase Price.* Franchisor agrees to pay Franchisee a purchase price that will be calculated based on the fair market value of the Franchised Business as mutually agreed upon by Franchisee and Franchisor. If Franchisor and Franchisee are not able to reach mutual agreement as to the fair market value of the Franchised Business within fifteen (15) days of the Option Notice, the parties shall designate a mutually agreed upon appraiser or business valuation expert to determine the fair market value of the Franchised Business and the appraiser's or expert's

determination shall be final and binding. If Franchisor and Franchisee are unable to agree on an appraiser or business valuation expert within thirty (30) days of the Option Notice, Franchisor shall have the right to designate the appraiser or valuation expert and such appraiser's or expert's determination shall be final and binding.

3. *Exercising the Option and Related Terms.* Once Franchisor has provided Franchisee with the Option Notice, Franchisor will have a 90-day period within which to conduct its due diligence on the Franchised Business. In the event that Franchisor elects to proceed with the purchase after the satisfactory conclusion of Franchisor's due diligence, Franchisor will have 60 days from the completion of its due diligence investigation within which to tender the Purchase Price and close on the transaction ("Closing"). At Closing, Franchisee agrees to deliver possession and title to all the assets of the Franchised Business to Franchisor pursuant to a prescribed form of asset purchase agreement, free and clear of all liens and encumbrances. Franchisor may elect to rescind its election to exercise the Option at any time prior to Closing. Franchisor's failure to exercise the Option on one or more occasions will not preclude Franchisor from exercising the Option at a later date. Franchisor will not be obligated to assume any liabilities in connection with Franchisor's purchase of the Franchised Business. Franchisor shall be entitled to offset the total Purchase Price by: (i) any amounts owed by Franchisee to Franchisor; and (ii) any liabilities (contingent or otherwise) which Franchisor agrees, at its discretion, to undertake in connection with exercising the Option. Franchisor will be entitled to all customary warranties and representations in connection with Franchisor's purchase of the Franchised Business, including, without limitation: representations and warranties as to ownership and condition of and title with respect to any Franchised Business assets; liens and encumbrances with respect to any Franchised Business assets; validity of contracts and agreements; and liabilities affecting the Franchised Business assets, contingent or otherwise. Upon Closing, this Agreement will be deemed terminated (or transferred, at Franchisor's option), and Franchisee must comply with all post-term obligations associated with this Agreement. The parties acknowledge and agree that the Option and the Purchase Price set forth herein are fair and reasonable.

14. COVENANTS

Franchisee acknowledges that, as a participant in Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Franchisee agrees to the covenants in this Section to protect Franchisor, the System, Proprietary Marks and Franchisor's other franchisees.

A. **During the Term of this Agreement.** During the term of this Agreement, neither Franchisee, its principals, owners, guarantors, Operating Principal(s), or Designated Manager(s), nor any immediate family member of Franchisee, its principals, owners, guarantors, Operating Principal(s), or Designated Manager(s), may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1. Own, maintain, engage in, be employed by or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with, any other business that (a) offers, sells or provides any of the Approved Services (including junk removal services) that are offered or provided by the Franchised Business and/or other System franchises (each, a "Competing Business"), or (b) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business. For purposes of this Agreement, a Competing Business does not include: (i) any business operated by Franchisee under a Franchise Agreement with Franchisor; or (ii) any business operated by a publicly traded entity in which Franchisee owns less than two percent (2%) legal or beneficial interest; or

2. Divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

B. **<u>After the Term of this Agreement</u>.**

1. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is terminated or expires.

2. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

    a. Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:

        i. within the Territory;
        ii. within a sixty (60) mile radius of the Territory;
        iii. within a sixty (60) mile radius of any Franchised Business that is open and operating as of the date this Agreement expires and/or is terminated; or

iv. within a sixty (60) mile radius of any other designated territory that has been granted by Franchisor or its affiliates in connection with a Franchised Business as of the date this Agreement expires and/or is terminated, regardless of whether a Franchised Business is open and operating in that designated territory; or

b. Solicit business from Customers of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose.

C. **Intent and Enforcement**. It is the parties' intent that the provisions of this Section 14 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 14 by Franchisee, any of Franchisee's owners, principals, guarantors, managers, or Operating Principals, or any member of the immediate family of any of the foregoing, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that the covenants contained herein are necessary to protect the goodwill of the Franchised Business, other System franchisees, and the System. Franchisee further acknowledges that covenants contained in this Section 14 are necessary to protect Franchisor's procedures and know-how transmitted during the term of this Agreement. Franchisee agrees that in the event of the actual or threatened breach of this Section 14, Franchisor's harm will be irreparable, and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 14 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 14 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation on the restrictive covenants set forth in Section 14(B) shall be tolled during any default under this Section 14.

D. **Confidentiality and Restrictive Covenant Agreement**. Franchisee must ensure that all management personnel of the Franchised Business, including each Operating Principal and Designated Manager (and any replacement), as well as any officers and directors of Franchisee, and each employee or other person who will be given access to Confidential Information and/or training, execute Franchisor's then-current form of Confidentiality and Restrictive Covenant Agreement (in a form substantially similar to the form attached as Exhibit E to the Franchise Agreement) prior to receiving access to any Confidential Information or training. Franchisee must furnish Franchisor a copy of each executed agreement.

E. **No Defense**. Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 14. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 14.

15. DEFAULT AND TERMINATION

Franchisor may terminate this Agreement as described in this Section, and Franchisee agrees and acknowledges that the defaults, or failure to cure such defaults within the appropriate time period prescribed below (if any), shall constitute "good cause" and "reasonable cause" for termination under any state franchise laws or regulations that might apply to the operation of the Franchised Business.

A. **Automatic Termination**. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

1. The Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, unless otherwise prohibited by law;

2. A petition in bankruptcy is filed by Franchisee or such a petition is filed against and consented to by Franchisee and not dismissed within thirty (30) days;

3. A bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian in connection with the Franchisee or Franchised Business (or assets of the Franchised Business) is filed and consented to by Franchisee;

4. A receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed;

5. A final judgment in excess of Ten Thousand Dollars ($10,000.00) against Franchisee remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Franchisor may provide Franchisee with additional time to satisfy the judgment if Franchisee demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment; or

6. Franchisee attempts to sell, transfer, encumber or otherwise dispose of any interest in Franchisee, this Agreement or the Franchised Business in violation of Section 13 hereof.

B. **Termination upon Notice**. Franchisor has the right to terminate this Agreement upon written notice to Franchisee without providing Franchisee any opportunity to cure with respect to any of the following breaches or defaults:

1. If Franchisee or Franchisee's owners/principals commit any fraud or misrepresentation in the establishment or operation of the Franchised Business, including without limitation, any misrepresentation made in Franchisee's franchise application;

2. If Franchisee and any other required attendees fail to attend and complete the Initial Training Program within the time period prescribed in this Agreement;

3. If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations set forth in Section 15(C) of this Agreement during any twelve (12) month period, whether or not these breaches were timely cured;

4. If Franchisee or any of Franchisee's owners, principals, guarantors, managers, or Operating Principals, or any immediate family member of any of the foregoing, violate any of the in-term covenants not to compete or any of the other restrictive covenants set forth in Section 14 of this Agreement;

5. If Franchisee misuses the Proprietary Marks or Confidential Information in any manner, or otherwise violates any provision of this Agreement related to the use of the Proprietary Marks, Confidential Information and any other confidential materials provided by Franchisor (including those provisions related to non-disclosure of the Manuals and other confidential materials that Franchisor loans to Franchisee);

6. If Franchisee misuses any proprietary software that Franchisor designates for use in connection with the Franchised Business;

7. If Franchisee or any of Franchisee's principals default on any other agreement with Franchisor or any affiliate or Approved Supplier of Franchisor, and such default is not cured within the prescribed time period set forth in that other agreement;

8. If Franchisee defaults under the lease for the Premises and does not cure within the prescribed period of time thereunder, or if Franchisee otherwise loses its right to possess and control the Premises to operate the Franchised Business at any time during the term of this Agreement (except in cases of *force majeure* and cases where Franchisor has previously approved Franchisee's relocation request and Franchisee timely relocates);

9. If Franchisee fails to open and commence operations of the Franchised Business within the time period prescribed in Section 6 of this Agreement;

10. If Franchisee fails to cure any of the following violations under this Agreement within ten (10) days of being notified by Franchisor: (i) failure to offer only those Approved Products and Approved Services that Franchisor authorizes at the Franchised Business; (ii) any purchase of any non-approved item or service for use in connection with the Franchised Business; (iii) failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s) that Franchisor designates;

11. If Franchisee voluntarily or otherwise abandons the Franchised Business. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Business for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Franchised Business in accordance with this Agreement or the Manuals;

12. If Franchisee fails to provide Franchisor with access, or otherwise blocks Franchisor's access, to Franchisee's Computer System as required under this Agreement, and fails to remedy this default within forty-eight (48) hours of being notified by Franchisor;

13. If Franchisee fails to pay Franchisor, its affiliates, any of its Approved Suppliers or any Customer any amount that is due and owing that party within ten (10) days of the date that Franchisor (or other party owed the money) notifies Franchisee of the outstanding amount that is due and owed;

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

15. If Franchisee fails, for a period of ten (10) days after notification of non-compliance, to obtain any other licenses, certificates, permits or approvals necessary to operate the Franchised Business at the Premises;

16. If Franchisee, any person controlling, controlled by, or under common control with the Franchisee, any principal officer or employee of Franchisee, or any person owning an interest in Franchisee is convicted of a felony or any other crime or offense (even if not a crime) that is reasonably likely in the reasonable opinion of Franchisor to adversely affect the System, any System unit, the Proprietary Marks, or the goodwill associated therewith;

17. If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including inventory, employee taxes, FICA, insurance or benefits;

18. If there are insufficient funds in Franchisee's EFT Account to cover a check or EFT payment due to Franchisor or its affiliates under this Agreement three (3) or more times within any twelve (12) month period;

19. If Franchisee commits repeated violations of any health, zoning, sanitation, or other regulatory law, standard, or practice; operates the business in a manner that presents a health or safety hazard to its employees or customers;

20. If Franchisee fails to pay the Minimum Royalty for any year during the Term;

21. If Franchisee or Franchisee's manager's driver's license is revoked;

22. If Franchisee has two (2) or more unexcused absences from any mandatory seminar, meeting or conference;

23. If Franchisee performs the Approved Services in the Territory of another System franchisee in a manner not authorized by this Agreement and without Franchisor's written approval and that other franchisee's express prior written approval, and Franchisee does not pay the other System franchisee, after 10 days' notice, the full amount received for the work performed in its Territory; or

24. If Franchisee, on three (3) or more occasions, fails to comply with the standards and specifications set forth in the Manuals during any eighteen (18) month period, or alternatively, if Franchisee receives two (2) or more notices to cure the same or similar defaults within any twelve (12) month period, whether or not these failures were timely cured.

25. If Franchisee fails to secure any Approved Vehicle in accordance with the Vehicle Development Schedule, Franchisor shall have the right, in its sole discretion and without limiting any other rights or remedies available under this Agreement or at law or in equity to: (i) terminate this Agreement in its entirety upon written notice to Franchisee; (ii) reduce Franchisee's Territory; (iii) require a corrective action plan; (iv) modify the Territory; and/or (v) exercise any other remedy available under this Agreement.

C. **Termination upon Notice and 30 Days' Cure**. Except for those defaults set forth in Sections 15(A)-(B) of this Agreement, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: (i) breaches or violates any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including Franchisee's failure to comply with any of Franchisor's other System standards and specifications in the operation of the Franchised Business as set forth in the Manuals; and (ii) fails to cure such breach or violation within thirty (30) days of the date Franchisee is provided with notice thereof by Franchisor.

D. **Loss of Territory**. Notwithstanding the foregoing, if Franchisee is in default of this Agreement such that Franchisor would be entitled to terminate this Agreement, Franchisor may, in its sole discretion and as an alternative to terminating this Agreement, elect to reduce the size of Franchisee's Territory and own and operate, or license another to operate, additional Franchised Businesses in the Territory. In the event Franchisor elects to reduce Franchisee's Territory and/or terminate Franchisee's protected Territory rights therein, Franchisor will provide Franchisee with written notice thereof. Upon receipt of such notice, Franchisee will have ten (10) calendar days to execute an addendum to this Agreement detailing the revised boundaries of the Territory and/or termination of protected Territory rights therein. If Franchisee does not execute this Addendum within the prescribed time period, then Franchisor may, at its option, immediately terminate this Agreement upon notice to Franchisee.

E. **Step-In Rights**. In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights hereunder, if this Agreement is subject to termination due to Franchisee's failure to cure any default within the applicable time period (if any), or in the event of Franchisee's or the Operating Principal's or manager's death, disability, or prolonged absence, then Franchisor has the right, but not the obligation, to enter the Premises and exercise complete authority with respect to the operation of the Franchised Business until such time that Franchisor determines, in its reasonable discretion, that the default(s) at issue have been cured and that Franchisee is otherwise in compliance with the terms of this Agreement. In the event Franchisor exercises these "step-in rights," Franchisee must (a) pay Franchisor a management fee amounting to eight percent (8%) of the Gross Sales of the Franchised Business during the time period that Franchisor's representatives are operating the Franchised Business (the "Management Fee"), and (b) reimburse Franchisor for all reasonable costs that Franchisor incurs in connection with its operation of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. The Management Fee and reimbursable expenses are payable weekly out of the Franchised Business proceeds. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee must indemnify, defend and hold Franchisor (and its representatives and employees) harmless from and against any Claims that may arise out of Franchisor's operation of the Franchised Business.

16. POST-TERM OBLIGATIONS

Upon the expiration or termination of this Agreement, Franchisee shall immediately:

A. **Cease Ownership and Operation of Franchised Business; Cease Affiliation with Franchisor and Brand Generally**. Cease to be a franchise owner of Franchised Business under this Agreement and cease to operate the former Franchised Business under the System. If this Agreement is terminated for cause by Franchisor, then Franchisee shall not thereafter directly or indirectly represent to the public that the former Franchised Business is or was operated or in any way connected with the System or hold itself out as a present or former franchise owner of a Franchised Business (unless Franchisor agrees otherwise in writing);

B. **Return Manuals and Confidential Information**. Return to Franchisor the Manuals and all trade secrets, Confidential Information (including all Customer lists and Approved Services agreements) and other confidential materials, equipment, software and property owned by Franchisor and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law;

C. **Assignment of Approved Services Contracts, Telephone/Facsimile Numbers, Domain Names and Social Media Accounts**. Take such action that Franchisor may designate to: (i) provide and assign to Franchisor the then-current and up-to-date (a) Customer and property lists, and (b) any Approved Services contracts and other agreements between Customers and the former Franchised Business; and (ii) transfer, disconnect, forward, or assign all telephone/facsimile numbers (including any cell phone numbers utilized in connection with the former Franchised Business), domain names and social media accounts used in connection with the former Franchised Business, as well as any telephone directory references, advertisements, and all trade and similar name registrations and business licenses to Franchisor or its designee and cancel any interest which Franchisee may have in the same (as Franchisor directs in its sole discretion). Franchisee agrees to execute all documents necessary to comply with the obligations of this Section, including the form Conditional Assignment of Telephone/Facsimile Numbers and Domain Names attached to this Agreement as Exhibit F.

D. **Cease Using Proprietary Marks**. Cease to use in advertising or in any manner whatsoever any methods, procedures, or techniques associated with the System in which Franchisor has a proprietary right, title, or interest, and cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System.

1. Franchisee must remove all trade dress and all physical characteristics, color combinations, and other indications of operation under the System from the Premises and from the Approved Vehicles, and/or paint the Approved Vehicles black (and provide documentation thereof to Franchisor as set forth in Section 16(H) below).

2. Upon Franchisor's request, Franchisee must provide all materials bearing the Proprietary Marks to Franchisor upon expiration or termination of this Agreement for any reason, without cost to Franchisor; and

E. **Compliance with Post-Term Covenants**. Comply with the post-term covenants not to compete and other restrictive covenants set forth in Section 14 of this Agreement;

F. **De-Identification**. Remove all trade dress from the Approved Vehicles and otherwise de-identify the Approved Vehicles so that they no longer bear the Proprietary Marks, trade dress, or any other indicia of the System.

G. **De-Commissioning of Proprietary Vehicle Technology**. At its sole cost and expense, immediately de-commission, disable, and remove from all vehicles used in the operation of the Franchised Business any and all proprietary technology, hardware, software, or systems provided, licensed, or otherwise approved by Franchisor for use in connection with the Franchised Business, including but not limited to any scales, hardware, and/or equipment related to Franchisor's proprietary weight-based pricing system (collectively, the "Proprietary Vehicle Technology"); Franchisee shall follow all written instructions provided by Franchisor regarding the secure removal, return, or destruction of such Proprietary Vehicle Technology, and shall certify in writing to Franchisor, within ten (10) days after termination or expiration, that all such Proprietary Vehicle Technology has been removed or de-commissioned in accordance with Franchisor's instructions. Franchisee acknowledges that continued use or possession of the Proprietary Vehicle

Technology after termination or expiration of this Agreement constitutes an unauthorized use of Franchisor's intellectual property and confidential information.

H. **Payment of Amounts Due**. Pay Franchisor, as well as each of Franchisor's Approved Suppliers, any and all amounts owed under this Agreement or otherwise in connection with the former Franchised Business within ten (10) days of the termination or expiration date.

I. **Written Evidence of Compliance**. Provide Franchisor with written evidence that it has complied with the post-term obligations within thirty (30) days after notice of termination or scheduled expiration of the Franchised Business; and

J. **Purchase of Assets**. Franchisor shall have the option, but not the obligation, within thirty (30) days after the date of termination, expiration, and non-renewal of this Agreement to purchase any and/or all of Franchisee's operating assets, including but not limited to the Proprietary Vehicle Technology, from the Franchised Business at fair market value. If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect equipment at any time during this thirty (30) day period. If Franchisor elects to purchase equipment as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to compliance with law, the maintenance, function, and condition of the equipment and Franchisee's good title to the equipment (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances).

K. **Disconnection of Telephone Number on Termination/Renewal**. Franchisee acknowledges that there will be substantial confusion among the public if, after the termination or expiration and non-renewal of this Agreement, Franchisee continues to use advertisements and/or (i) the telephone number listed in the telephone directory under any name associated with Proprietary Marks or any name similar thereto; or (ii) any telephone number that was used to carry out the purpose of the Franchised Business and facilitate the provision of the Approved Services. Thus, effective upon the termination or expiration and non-renewal of this Agreement, Franchisee agrees to direct the telephone company servicing Franchisee, per Franchisor's request, to disconnect the telephone number used in connection with the Franchised Business. If Franchisee fails to take these steps, Franchisee shall be deemed to have hereby irrevocably appointed Franchisor as Franchisee's attorney-in-fact for purposes of directing and accomplishing such transfer. Franchisee understands and agrees that, notwithstanding any billing arrangements with any telephone company, directory listing provider or domain name registrar, Franchisor will be deemed for purposes hereof to be the subscriber and/or registrant of such telephone numbers and domain names, with full authority to instruct the applicable telephone company, directory listing provider or domain name registrar as to the use and disposition of telephone listings, numbers and domain names. Franchisee hereby agrees to release, indemnify, and hold such companies harmless from any damages or loss as a result of following Franchisor's instructions.

17. TAXES AND INDEBTEDNESS

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

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

18. WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT

A. **Franchisor's Approval**. Whenever this Agreement requires or Franchisee desires to obtain Franchisor's approval, Franchisee shall make a timely written request. Unless a different period is specified in this Agreement, Franchisor shall respond with its approval or disapproval within fifteen (15) days of receipt of such request. If Franchisor has not specifically approved a request within such fifteen (15) day period, such failure to respond shall be deemed as a disapproval of any such request.

B. **No Waiver**. No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. No waiver or approval by Franchisor of any particular breach or default by Franchisee; no delay, forbearance, or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder; and no acceptance by Franchisor of any payments due hereunder shall be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Agreement.

C. **Terms of Other Franchise Agreements**. No warranty or representation is made by the Franchisor that all franchise agreements heretofore or hereafter issued by Franchisor in connection with a Franchised Business do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its reasonable business judgment due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other System franchise owners in a non-uniform manner.

D. **Modification of System and Manuals**. Except as provided in Section 22 and Franchisor's right to unilaterally modify the System and Manuals, no amendment, change, or variance from this Agreement shall be binding upon either Franchisor or Franchisee unless set forth in writing and signed by both parties.

E. **No Disclaimers of Franchise Disclosure Document**. Nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor has made in the franchise disclosure document.

19. ENFORCEMENT

A. **Injunctive Relief**. The Franchisor or its designee shall be entitled to obtain without bond, declarations, temporary and permanent injunctions, and orders of specific performance in order to enforce the provisions of this Agreement relating to Franchisee's use of the Proprietary Marks, the obligations of Franchisee upon termination or expiration of this Agreement, and assignment of the franchise and ownership interests in Franchisee or in order to prohibit any act or omission by Franchisee or its employees which constitutes a violation of any applicable law or regulation, which is dishonest or misleading to prospective or current customers of businesses operated under the System, which constitutes a danger to other franchise owners, employees, customers, or the public or which may impair the goodwill associated with the Proprietary Marks.

B. **No Withholding of Payments**. Franchisee agrees and acknowledges that it may not withhold payments or amounts of any kind due to Franchisor on the premise of alleged nonperformance by Franchisor of any of its obligations hereunder.

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

20. NOTICES

Any notice required to be given hereunder shall be in writing and shall be either mailed by certified mail, return receipt requested, or delivered by a recognized courier service, receipt acknowledged. Notices must be provided to each party at the respective addresses set forth below:

To Franchisor

Junk Start Franchise, LLC
Attn: Daniel McCarty
126 E. Turbo Drive
San Antonio, Texas 78216

With a copy to:

Fisher Zucker, LLC
Attn: Lane Fisher
21 South 21st Street
Philadelphia, PA 19103

To Franchisee: ______________________________

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Any notice complying with the provisions hereof will be deemed delivered at the earlier of: (i) three (3) days after mailing; or (ii) the actual date of delivery or receipt (as evidenced by the courier). Each party shall have the right to designate any other address for such notices by providing the other party(ies) with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such notice shall be sent to such other address.

21. GOVERNING LAW AND DISPUTE RESOLUTION

A. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without reference to this state's conflict of laws principles.

B. **Internal Dispute Resolution**. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's Chief Executive Officer, after providing notice as set forth in Section 21(G) of this Agreement and make every effort to resolve the dispute internally. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

C. **Mediation; Arbitration**. At Franchisor's option, all claims or disputes between Franchisee and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 21(B) above, will be submitted first to mediation to take place at Franchisor's then-current headquarters (currently, San Antonio, Texas) under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect, and, at Franchisor's option (whether or not mediation occurs), to arbitration administered by the AAA in accordance with its Commercial Arbitration Rules then in effect, to take place at Franchisor's then-current headquarters (currently, San Antonio, Texas). Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elect to exercise its option to submit such claim or dispute to mediation and/or arbitration. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation or arbitration, or such mediation or arbitration proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) or arbitrator(s) that further mediation or arbitration efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation and arbitration, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate and arbitrate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate or arbitrate a controversy, dispute, or claim as set forth in this Section 21(C) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement. The foregoing is subject to applicable state law and any State Specific Addendum.

D. **Injunctive Relief**. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, to the extent permitted by applicable law, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Proprietary Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) to prohibit any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise System or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

E. **Venue**. Subject to Sections 21(C) and 21(D) above, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state court of general jurisdiction that is closest to Franchisor's then-current headquarters (currently, San Antonio, Texas) or, if appropriate, the United States District Court for the Western District of Texas. Franchisee acknowledges that this Agreement has been entered into in the State of Texas, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's then-current headquarters (currently, San Antonio, Texas), including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Texas as set forth in this Section. To the extent required by applicable law or any State Specific Addendum, the foregoing venue and forum provisions will be modified accordingly.

F. **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, owners, members, managers, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Section 21, each having authority to specifically enforce the right to mediate or arbitrate claims asserted against such person(s) by Franchisee.

G. **Notice Requirement**. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

H. **No Withholding of Payments**. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

I. **Limitation of Actions**. To the fullest extent permitted by applicable law, Franchisee further agrees that no cause of action arising out of or under this Agreement or the parties relationship (whether based on contract, tort, statute, regulation, or any other legal theory) may be maintained by Franchisee against Franchisor unless brought before the expiration of two (2) years and one (1) days after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder, or any applicable State Specific Addendum.

J. **Waiver of Punitive Damages**. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

K. **WAIVER OF JURY TRIAL**. THE PARTIES HEREBY AGREE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

L. **WAIVER OF CLASS ACTIONS**. THE PARTIES AGREE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

22. SEVERABILITY AND CONSTRUCTION

A. Should any provision of this Agreement for any reason be held invalid, illegal, or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid, and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this paragraph shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to make fully the provisions hereof. Franchisee understands and acknowledges that Franchisor shall have the right in its sole discretion on a temporary or permanent basis, to reduce the scope of any covenant or provision of this Agreement binding upon Franchisee without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable.

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

C. The table of contents, headings, and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this

Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each Section of this Agreement shall be construed independently of any other Section or provision of this Agreement.

23. ACKNOWLEDGMENTS

A. Franchisee acknowledges that it received the franchise disclosure document ("FDD") and a complete copy of this Agreement at least fourteen (14) calendar days before signing any binding agreement with, or making any payment to, Franchisor or any affiliate, during which time Franchisee conducted an independent investigation of the business licensed hereunder to the extent of Franchisee's desire to do so. Franchisee recognizes and acknowledges that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of the Franchisee as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, that Franchisee will be successful in this venture or that the business will attain any level of sales volume, profits, or success. Franchisee acknowledges that this Agreement and the exhibits and schedules hereto (and any documents executed contemporaneously herewith) constitute the entire agreement of the parties.

B. Franchisee agrees and acknowledges that the fulfillment of any and all obligations of Franchisor under this Agreement shall be the sole responsibility of Franchisor, and that no officer, director, manager, member, shareholder, employee, or agent of Franchisor or its affiliates shall have any personal liability to Franchisee. Franchisee further agrees that no statement, promise or representation by Franchisor or its representatives is binding unless set forth in this Agreement and signed by Franchisor. Do not sign this Agreement if there is any question concerning its contents or any representations made.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal on the date first written above.

FRANCHISEE:	**FRANCHISOR:** **JUNK START FRANCHISE, LLC**
By:____________________________	By:____________________________
Print Name:______________________	Print Name:______________________
Title:___________________________	Title:___________________________

Partner's Signature:

By:____________________________

Print Name:______________________

Title: ___________________________

EXHIBIT A TO THE FRANCHISE AGREEMENT

DATA SHEET AND STATEMENT OF OWNERSHIP

1. SITE SELECTION AREA

Pursuant to Section 5(E) of the Franchise Agreement, Franchisee must locate and secure a Premises for office space within the following Site Selection Area:

____

2. PREMISES

Pursuant to Section 5(E) of the Franchise Agreement, the Approved Location (if applicable) shall be located at the following approved Premises (complete if approved prior to executing the Franchise Agreement, otherwise leave blank):

3. TERRITORY

Pursuant to Section 2(B) of the Franchise Agreement, Franchisee's Territory will be defined as follows (if identified on a map, please attach map and reference attachment below): The Territory is comprised of five (5) Subterritories:

4. VEHICLE DEVELOPMENT SCHEDULE

Pursuant to Section 6(F) of this Agreement, the number of Approved Vehicles required for Franchisee's Territory(ies) and the initial Vehicle Development Schedule are as follows:

Number of Territories: _______________________________

Approved Vehicles Required at Opening: ________________

Total Approved Vehicles Required: _____________________

Deadline(s) to order and place into service each additional Approved Vehicle (the earlier of 120 days after opening or the first month in which Gross Sales equal or exceed $25,000 per active Approved Vehicle, unless a different schedule is approved in writing):

5. Operating Principal and Primary Contact. The following individual is the "Operating Principal" (as defined in the Franchise Agreement) and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: ________________________________

Telephone No.: ________________________________

E-mail Address: ________________________________

6. Statement of Ownership. If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

Name	Position/Title	Interest (%)
______________________	________________	_________
______________________	________________	_________
______________________	________________	_________
______________________	________________	_________

THE PARTIES SIGNING THIS DATA SHEET BELOW AGREE AND ACKNOWLEDGE THAT THIS DATA SHEET, BY ITSELF, DOES NOT CONSTITUTE A FRANCHISE AGREEMENT OR OTHERWISE CONFER ANY FRANCHISE RIGHTS UPON FRANCHISEE. THIS DATA SHEET PROVIDES CERTAIN DEAL-SPECIFIC INFORMATION IN CONNECTION WITH THE FRANCHISE THAT IS GOVERNED BY THE FRANCHISE AGREEMENT TO WHICH THIS DATA SHEET IS AN EXHIBIT.

THE PARTIES AGREE AND ACKNOWLEDGE THAT THE FOREGOING FRANCHISE AGREEMENT MUST BE EXECUTED PRIOR TO OR CONTEMPORANEOUS WITH THIS DATA SHEET FOR ANY RIGHTS TO BE CONFERRED.

IN WITNESS WHEREOF, the undersigned has duly executed this Exhibit to the Franchise Agreement on ___________________.

FRANCHISEE
[INSERT FRANCHISEE]

By:______________________________

Name:____________________________

Title:_____________________________

FRANCHISOR

JUNK START FRANCHISE, LLC

By:______________________________

Name:_____________________________

Title:______________________________

EXHIBIT B TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, THEN EACH INDIVIDUAL/ENTITY WITH AN OWNERSHIP INTEREST IN FRANCHISEE (PRINCIPALS/MEMBERS/SHAREHOLDERS/MANAGERS/PARTNERS/ ETC.) AND THEIR RESPECTIVE SPOUSES MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS AN INDIVIDUAL AND FRANCHISEE'S SPOUSE HAS NOT SIGNED THE FRANCHISE AGREEMENT DIRECTLY, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY.

ARTICLE I
PERSONAL
GUARANTY

The undersigned persons (individually and collectively "you") hereby represent to Junk Start Franchise, LLC (the "Franchisor") that you are all the owners/principals/members/shareholders/ managers/partners, as applicable, of the business entity named ___________________________(the "Franchisee"), as well as their respective spouses, as of the date this Personal Guaranty (the "Personal Guaranty" or "Guaranty") is executed.

In consideration of the grant by Franchisor to the Franchisee as herein provided, each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing Franchise Agreement, and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation: (i) any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement; (ii) the prohibition of any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer as set forth in the Franchise Agreement; (iii) those obligations related to confidentiality, non-disclosure and indemnification; and (iv) the in-term and post-term covenants against competition, as well as all other restrictive covenants set forth in the Franchise Agreement.

ARTICLE II
CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this Guaranty, you will receive information, which Franchisor considers to be Confidential Information, trade secrets and/or confidential information, including without limitation: (i) site-selection criteria; (ii) methods, techniques and trade secrets for use in connection with the proprietary business operating system that Franchisor and its affiliates have developed (the "System") for the establishment and operation of a franchised business (each, an "Franchised Business"); (iii) marketing research and promotional, marketing and advertising programs for the Franchised Business; (iv) knowledge of specifications for, and suppliers of, certain products, fixtures, furnishings, equipment, and inventory used at the

Franchised Business; (v) knowledge of the operating results and financial performance of other Franchised Businesses; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; (vii) Franchisor's proprietary Manuals and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (viii) information regarding the development of Franchisor's proprietary marks (the "Proprietary Marks"); (ix) information generated by, or used or developed in, a Franchised Business's operation, including customer names, contracts of any kind, addresses, telephone numbers and related information, and any other information contained in the Franchised Business's computer system or proprietary software system; (x) as well as any other proprietary information or confidential information that is provided to Franchisee by Franchisor during the term of the Franchise Agreement (collectively, "Confidential Information"). You shall not, during the term of this Agreement or anytime thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation: Franchisor's copyrighted materials; pricing and marketing mixes related to the Approved Services and Products (as defined in the Franchise Agreement); standards and specifications for providing the Approved Services and Products and other merchandise or services offered or authorized for sale by System franchisees; methods and other techniques and know-how concerning the operation of the Franchised Business, which may be communicated to you or of which you may become apprised by virtue of your role as a guarantor of the Franchisee's obligations under the Franchise Agreement. You also acknowledge and agree that the following also constitutes "Confidential Information" under this Section: (i) former, current and prospective customer information, including customer names and addresses, contracts/agreements (collectively "Customer Information"), and (ii) sources and pricing matrices of any approved or designated suppliers; and (iii) any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential.

ARTICLE III NON-COMPETITION

You acknowledge that as a participant in the Franchisor's System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees, you agree as follows:

1. **During the Term of the Franchise Agreement and this Guaranty.** During the term of the Franchise Agreement and this Personal Guaranty, neither you, your principals, guarantors, owners, managers, or any Operating Principal, nor any immediate family member of any of the foregoing, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1.1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money, lease space or extend credit to (or otherwise have any interest in or involvement with), any other business that (a) offers, sells or provides any of the Approved Services (including junk removal services) that are offered or provided by the Franchised Business and/or other System franchises (each, a "Competing Business"), or (b) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business; provided, however, that this Section does not apply to your operation of another Franchised Business pursuant to a valid franchise agreement with Franchisor, or your ownership of less than two percent (2%) of the interests in a publicly traded company; or

1.2. Divert or attempt to divert business or customers of any Franchisee-owned Franchised Businesses to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

2. After the Term of the Franchise Agreement and this Guaranty.

2.1 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date the Franchise Agreement is terminated or expires.

2.2 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

2.2.1 Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:

(i) within the Territory;
(ii) within a sixty (60) mile radius of the Territory;
(iii) within a sixty (60) mile radius of any Franchised Business that is open and operating as of the date the Franchise Agreement expires and/or is terminated; or
(iv) within a sixty (60) mile radius of any other designated territory that has been granted by Franchisor or its affiliates in connection with a Franchised Business as of the date the Franchise Agreement expires and/or is terminated, regardless of whether a Franchised Business is open and operating in that designated territory; or

2.2.2 Solicit business from Customers of Franchisee’s former Franchised Business or contact any of Franchisor’s suppliers or vendors for any competitive business purpose.

3. **Intent and Enforcement**. It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor’s harm will be irreparable, and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully

employed in other careers and that the provisions of this Article III in no way prevents you from earning a living. You further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under this Guaranty.

ARTICLE IV
DISPUTE
RESOLUTION

1. **Acknowledgment**. You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's Proprietary Marks or its System.

2. **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the State of Texas, without regard to its conflicts of law principles, subject to applicable state law to the contrary. Any mediation between the parties shall be conducted at Franchisor's then-current headquarters (currently, San Antonio, Texas), and any litigation arising out of or relating to the Franchise Agreement or this Personal Guaranty shall be brought and maintained exclusively in the state or federal courts located in the State of Texas, and you irrevocably submit to the exclusive jurisdiction and venue of such courts, subject in each case to applicable state law.

3. **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Personal Guaranty to Franchisor's Chief Executive Officer and/or President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Agreement. Any mediation, arbitration, or litigation following the internal dispute resolution process shall take place exclusively in the State of Texas, subject to applicable state law.

4. **Mediation.** At Franchisor's option, all claims or disputes between you and Franchisor or its affiliates arising out of, or in any way relating to, the Franchise Agreement, this Guaranty or any other agreement by and between the parties or their respective affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to mediation, at Franchisor's then-current headquarters (currently, San Antonio, Texas) under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor that specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elect to exercise our option to submit such claim or dispute to mediation and/or arbitration. You may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation and/or arbitration, or such mediation and/or arbitration proceedings have been concluded or terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; (ii) upon the issuance of a final arbitration award; or (iii) as a result of a written declaration by Franchisor. Franchisor may specifically enforce our mediation and arbitration rights under this Section. Each party shall bear its own cost of mediation, except that you and Franchisor shall share the mediator's fees and costs equally. To the fullest extent permitted by applicable law (and subject to any State Specific Addenda), if a claim or dispute is not resolved through the internal dispute resolution procedure or mediation, then, at Franchisor's option, such claim or dispute must be submitted to arbitration administered by the AAA under its Commercial Arbitration Rules then in effect, to take place at

Franchisor's then-current headquarters (currently, San Antonio, Texas). This agreement to mediate at Franchisor's option (and, if elected by Franchisor, to arbitrate) shall survive any termination or expiration of the Franchise Agreement and this Guaranty.

4.1. *Excepted Claims.* The parties agree that mediation shall not be required with respect to any claim or dispute involving: (i) any of your payment obligations that are past due; (ii) the actual or threatened disclosure or misuse of Franchisor's Confidential Information; (iii) the actual or threatened violation of Franchisor's rights in, or misuse of, the Proprietary Marks, System or other trade secrets; (iv) any of the restrictive covenants contained in the Franchise Agreement or this Guaranty; or (v) any claims arising out of or related to fraud or misrepresentation by you, or your insolvency (collectively, the "Excepted Claims").

5. **Jurisdiction and Venue**. Subject to Sections 3 and 4 above, and except for mediation and/or arbitration as provided above, the parties agree that any action at law or in equity instituted against either party to this Agreement must be commenced and litigated to conclusion (unless settled) only in any state or federal court located in the State of Texas, to the fullest extent permitted by applicable law. The undersigned hereby irrevocably consent to the jurisdiction of these courts.

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

7. **Right to Injunctive Relief.** Nothing contained in this Guaranty will prevent Franchisor from applying to or obtaining from a state or federal court located in the State of Texas a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation or arbitration proceeding or pending the trial or handing down of a decision or judgment pursuant to any mediation or arbitration proceeding conducted hereunder. If injunctive relief is granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incurred as a result of the wrongful issuance.

8. JURY TRIAL AND CLASS ACTION WAIVER. THE PARTIES HEREBY AGREE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW (AND SUBJECT TO ANY STATE SPECIFIC ADDENDA), TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES/AGENTS/REPRESENTATIVES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

9. **Limitation of Action.** You further agree, to the fullest extent permitted by applicable law (and subject to any State Specific Addenda), that no cause of action arising out of or under this

Guaranty may be maintained by you unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

10. **Punitive Damages.** You hereby waive to the fullest extent permitted by law (and subject to any State Specific Addenda), any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that your recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

11. **Costs and Attorneys' Fees.** Whether or not formal legal proceedings are initiated, in the event Franchisor incurs any legal fees or other costs associated with enforcing the terms of this Guaranty or the Franchise Agreement against you, then Franchisor will be entitled to recover from you all costs and expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Guaranty or the Franchise Agreement.

12. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Guaranty shall not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by us respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Your election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

13. **No Personal Liability.** You agree that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Guaranty or based on any oral communications which may be ruled to be binding in a court of law, shall be Franchisor's sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to you for any reason. This is an important part of this Guaranty. You agree that nothing that you believe you have been told by us or our representatives shall be binding unless it is written in the Franchise Agreement or this Guaranty. Do not sign this Agreement if there is any question concerning its contents or any representations made.

14. **Severability.** The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Guaranty shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

15. **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

16. **Successors.** References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty on the date stated on the first page hereof.

PERSONAL GUARANTORS

By: ______________________

Date: _____________________

By: ______________________

Date: _____________________

By: ______________________

Date: _____________________

EXHIBIT C TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is made, entered into and effective as of the Effective Date of the Franchise Agreement (the "Effective Date"), by and between: (i) Junk Start Franchise, LLC, a Texas limited liability company with its principal place of business at 126 E. Turbo Drive, San Antonio, Texas 78216 (the "Franchisor"); and (ii)______________________________________, a (resident of) (corporation organized in) (limited liability company organized in) ________________ with a business address at__________________________________(the "Franchisee").

BACKGROUND INFORMATION

The Franchisor entered into a certain Franchise Agreement (the "Franchise Agreement") dated as of__________, 20___ with the Franchisee, pursuant to which the Franchisee plans to own and operate a franchised business (the "Franchised Business") located at ______________________________________ (the "Site"). In addition, pursuant to that certain Lease Agreement (the "Lease"), the Franchisee has leased or will lease certain space containing the Franchised Business described therein from_ ______________________________________(the "Lessor"). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

OPERATIVE TERMS

The Franchisor and the Franchisee agree as follows:

1. **Background Information**: The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information set forth above.

2. **Incorporation of Terms**: Terms not otherwise defined in this Assignment have the meanings as defined in the Franchise Agreement.

3. **Indemnification of Franchisor**: Franchisee agrees to indemnify and hold Franchisor and its affiliates, and their respective officers, directors, managers, partners, members, subsidiaries, employees and agents harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action in which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, Franchisee's breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.

4. **Conditional Assignment**: Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the fixtures, inventory and supplies located in the Site and the Franchise Agreement relating to the Franchised Business, and all of the Franchisee's rights, title and interest in and to the Lease as collateral security for the payment and performance of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by Franchisee under the terms of the Lease, or, in the event Franchisor makes any payment

to the Lessor as a result of the Franchisee's breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, shall at Franchisor's option be deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to the possession of the Site and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein, and authorizes Franchisor to file such financing statements naming Franchisee as debtor without Franchisee's signature to the extent permitted by the Uniform Commercial Code.

5. **No Subordination**: Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for the operations of Franchisee on the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms of the Lease without such written consent is null and void.

6. **Exercise of Remedies**: In any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, Franchisor shall be entitled, to the extent permitted by applicable law, to exercise any one or more of the following remedies in its sole discretion:

a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys;

b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;

c) to exclude the Franchisee, its agents or employees from the Site;

d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

e) to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;

f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious, in the sole discretion of the Franchisor; and

g) to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or

h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date the Franchisee defaults under the Lease and fails to cure such default within any applicable cure period (if any).

The parties agree and acknowledge that Franchisor is not required to assume the Lease, take possession of the Site or otherwise exercise of its other rights described in this Assignment. In the event Franchisor elects to exercise its right to assume the Lease and/or take possession of the Site, it will provide written notice to Franchisee and undertake the other necessary actions at issue. Nothing in this Assignment may be construed to impose an affirmative obligation on the part of Franchisor to exercise any of the rights set forth herein.

7. **Power of Attorney**: Franchisee does hereby appoint irrevocably Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, to the fullest extent permitted by applicable law, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

8. **Election of Remedies**: It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to the Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor of any of its rights hereunder will constitute a cure or waiver of, or otherwise affect, any default hereunder or any default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies shall be construed as a waiver by the Franchisor of any future rights and remedies. Franchisor is not required to exercise any of its rights set forth in Section 6 hereof but shall have the irrevocable right to do so.

9. **Binding Agreements**: This Assignment and all provisions hereof shall be binding upon the Franchisor and the Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words "Franchisor" and "Franchisee" when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10. **Assignment to Control**. This Assignment governs and controls over any conflicting provisions in the Lease.

11. **Attorneys' Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing party.

12. **Severability**. If any of the provisions of this Assignment or any section or subsection of this Assignment shall be held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

FRANCHISEE:	FRANCHISOR: Junk Start Franchise, LLC
By:__________________________	By:__________________________
Print Name:____________________	Print Name:____________________
Title:_________________________	Title:_________________________

The Lessor hereby consents, agrees with, approves of and joins in with this COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE.

LESSOR

____

By:__________________________
Name:________________________
Title:_________________________
Date:_________________________

SCHEDULE D

ELECTRONIC FUNDS TRANSFER

AUTHORIZATION FORM

Bank Name: ____

Routing#: ____

Account #: ____

Account Name:____

Effective as of the date of the signature below, _______________(the "Franchisee") hereby authorizes Junk Start Franchise, LLC (the "Company") or its designee to withdraw funds from the above-referenced bank account, by ACH electronic funds transfer or otherwise, to cover the following payments that are due and owing the Franchisor or its affiliates under the franchise agreement dated________________________(the "Franchise Agreement") for the franchised business located at: ___________________________________ (the "Franchised Business"): (i) all Royalty Fees (including any applicable Minimum Royalty); (ii) Brand Development Fund contributions; (iii) Technology Fees; (iv) Revenue Center Fees; (v) any Key Accounts fees; and (vi) all other fees and amounts due and owing to the Franchisor or its affiliates under the Franchise Agreement, including, without limitation, any Late Reporting Fees, Non-Compliance Fees, interest on overdue amounts, audit fees, insurance reimbursements, transfer fees, renewal fees, and any other fees or charges imposed under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Franchisor (or its designee) as set forth in the Franchise Agreement. Franchisee further authorizes the Company to initiate credit entries to the same account to correct any erroneous debits. The parties agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a monthly basis, or on such other schedule as the Franchisor shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by the Franchisor. Franchisee agrees to maintain sufficient collected funds in the designated account to permit all debits when due and acknowledges responsibility for any bank service charges, return/NSF fees, or similar charges arising from rejected entries, which amounts may be debited under this authorization. Franchisee may not revoke or terminate this authorization without the Franchisor's prior written consent and payment of all amounts then due and owing. Franchisee shall provide the Franchisor, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED:
FRANCHISEE:

By:________________________________

Name/Title :________________________

FRANCHISOR:
Junk Start Franchise, LLC

By:________________________________

Name/Title:_________________________

Please attach a voided blank check for verification of the Bank and Transit Numbers.

EXHIBIT E TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

(for Operating Principals and other management personnel, as well as any officers, directors, spouses or owners of the Franchisee that did not sign the full Personal Guaranty)

In consideration of my being ____________________________________ of ______________ _____________ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from Junk Start Franchise, LLC ("Franchisor") to: (i) establish and operate a franchised business (the "Franchised Business"); and (ii) use in the operation of the Franchised Business the Franchisor's trade names, trademarks and service marks (collectively, the "Proprietary Marks") and the Franchisor's unique and distinctive format and system relating to the establishment and operation of Franchised Businesses (the "System"), as they may be changed, improved and further developed from time to time in the Franchisor's sole discretion.

1. The Franchisor possesses certain proprietary and confidential information relating to the operation of the Franchised Business and System generally, including without limitation: Franchisor's proprietary and confidential Manuals and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Franchised Business (collectively, the "Manuals"); Franchisor's proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials, trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Franchised Business; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Franchised Business and other Franchised Businesses; any information related to any type of proprietary software that may be developed and/or used in the operation of the Franchised Business; and any techniques, methods and know-how related to the operation of the Franchised Business or otherwise used in connection with the System, which includes certain trade secrets, copyrighted materials, methods and other techniques and know-how (collectively, the "Confidential Information").

2. Any other information, knowledge, know-how, and techniques which the Franchisor specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. As ________________________________of the Franchisee, the Franchisor and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Manuals, and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and acknowledge that the use or duplication of the Confidential Information, in whole or in part, for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Franchisor as confidential. Unless the Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as

______________________________________ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. I will surrender any material containing some or all of the Confidential Information to the Franchisor, upon request, or upon conclusion of the use for which the information or material may have been furnished.

7. Except as otherwise approved in writing by the Franchisor, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business that: (i) is a junk removal business that is similar to the Franchised Business and/or that features, offers and/or sells products and services similar to those offered and sold by the Franchised Business and/or other System franchises (a "Competing Business"); or (ii) grants or has granted franchises or licenses, or establishes or has established joint ventures, for one or more Competing Businesses. I also agree that I will not undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers of the Franchisee for any competitive business purpose.

7.1 *Post-Term Restrictive Covenant for Operating Principal of Franchised Business or Manager/Officers/Directors of Franchisee.*

☐ By checking this box, I hereby acknowledge that I am (or will be) a manager of the Franchised Business, or an officer/director/manager/partner of Franchisee that has not already executed a Personal Guaranty agreeing to be bound by the terms of the Franchise Agreement, and I further agree that I will not be involved in a Competing Business of any kind for a period of two years after the expiration or termination of my employment with Franchisee for any reason:

(i) within the territory defined below or in an attachment to this Exhibit (the "Territory");
(ii) within a sixty (60) mile radius of the Territory;
(iii) within a sixty (60) mile radius of any Franchised Business that is open and operating as of the date the Franchise Agreement expires and/or is terminated; or
(iv) within a sixty (60) mile radius of any other designated territory that has been granted by Franchisor or its affiliates in connection with a Franchised Business as of the date the Franchise Agreement expires and/or is terminated, regardless of whether a Franchised Business is open and operating in that designated territory; or

I further agree that I will not solicit business from Customers of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location, or undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers of Franchisee for any competitive business purpose, during this two (2) year period following the termination or expiration of my employment with the Franchisee.

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

9. I understand and acknowledge that the Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Franchisor may apply for the issuance of a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. I agree to pay the Franchisee and the Franchisor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Franchisor, any claim I have against the Franchisee or the Franchisor is a separate matter and does not entitle me to violate or justify any violation of this Agreement.

11. I shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

12. Franchisee shall make all commercially reasonable efforts to ensure that I act as required by this Agreement.

13. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by me shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by me.

14. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF **[INSERT STATE WHERE FRANCHISEE IS LOCATED]** AND I HEREBY IRREVOCABLY SUBMIT MYSELF TO THE EXCLUSIVE JURISDICTION OF THE STATE COURT CLOSEST TO THE PREMISES OF THE FRANCHISED BUSINESS OR, IF APPROPRIATE, THE FEDERAL COURT CLOSED TO SUCH PREMISES. I HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. I HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ME IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY **[INSERT STATE]** OR FEDERAL LAW. I FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN ONE OF THE COURTS DESCRIBED ABOVE IN THIS SECTION; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

15. The parties acknowledge and agree that each of the covenants contained in this Agreement are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any un-appealed final decision to which Franchisor is a part, I expressly agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

16. This Agreement contains the entire agreement of the parties regarding the subject matter of this Agreement. This Agreement may be modified only by a duly authorized writing executed by all parties.

17. All notices and demands required to be given must be in writing and sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile or electronic mail, (provided that the sender confirms the facsimile or electronic mail, by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission), to the respective party at the following address unless and until a different address has been designated by written notice.

For notices to Franchisor, the notice shall be addressed to:

Junk Start Franchise, LLC
Attn: Daniel McCarty
126 E. Turbo Drive
San Antonio, Texas 78216

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile or electronic mail shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday and any holiday that the U.S. Postal Service is closed.

18. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and inure to the benefit of its respective parent, successor and assigns.

IN WITNESS WHEREOF, this Agreement is made and entered into by the undersigned parties as of the Effective Date.

UNDERSIGNED:

By:______________________________

Name:____________________________

Date:_____________________________

Email: ________________________________

Address:____________________________________

ACKNOWLEDGED BY FRANCHISEE:

By:___________________________________

Name:________________________________

Title:_________________________________

EXHIBIT F TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE/FACSIMILE NUMBERS AND DOMAIN NAMES

1. The undersigned, doing business as ____________________ (the "Assignor"), in exchange for valuable consideration provided by Junk Start Franchise, LLC (the "Assignee"), receipt of which is hereby acknowledged, conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, email addresses and accounts, and social media accounts used in connection with the operation of the Franchised Business, as well as any listings associated therewith, together with all associated content, login credentials and passwords, utilized by Assignor in the operation of its Franchised Business (collectively, the "Assigned Property"). The Assigned Property includes, without limitation, the following:

Telephone Number(s): ____

This conditional assignment will become effective automatically upon the termination or expiration of Assignor's Franchise Agreement. Upon the occurrence of that condition, Assignor must do all things required by the telephone company and any applicable domain name registrar or platform provider (including any social media platform provider) to assure the effectiveness of the assignment of Assigned Property, including transferring, porting, or otherwise assigning control, as if the Assignee had been originally issued such Assigned Property and the right to use it.

2. Assignor agrees to pay the telephone company, and any applicable domain name registrar or platform provider, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company, any domain name registrar, social media platform provider, or other platform provider to effectuate this agreement, and agrees to fully cooperate with the telephone company, any such registrar or provider, as well as the Assignee, in effectuating this assignment.

ASSIGNOR

By: ________________________________

Print Name:____________________________

Title:________________________________

Date:________________________________

ASSIGNEE:

Junk Start Franchise, LLC

By: ________________________________

Print Name:____________________________

Title:________________________________

EXHIBIT G TO THE FRANCHISE AGREEMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

NOTICE FOR PROSPECTIVE FRANCHISEES WHO RESIDE IN, OR WHO INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A REGULATED STATE):

FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, SUCH PROSPECTIVE FRANCHISEE IS NOT REQUIRED TO COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

As you know, Junk Start Franchise, LLC (the "**Franchisor**") and you are preparing to enter into one or more **Franchise Agreements (each, a "Franchise Agreement**") for the establishment and operation of one or more Franchised Business(es). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor ("**Broker**") that have not been authorized, or that were not disclosed in the Franchise Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee(s) or representative(s) of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into a Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

   Yes_____No _____

2. Have you received and personally reviewed the Franchise Agreement(s), each addendum, and/or related agreement provided to you?

   Yes_____No _____

3. Do you understand all of the information contained in the Franchise Agreement(s), each addendum, and/or related agreement provided to you?

   Yes_____No _____

If No, what parts of the Franchise Agreement, Multi-Unit Operating Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

____
____

4. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document ("**FDD**") that was provided to you?

Yes_____No _____

5. Did you sign a receipt for the FDD indicating the date you received it?

Yes_____No _____

6. Do you understand all of the information contained in the FDD and any state-specific Addendum to the FDD?

Yes_____No _____

If No, what parts of the FDD and/or state-specific Addendum do you not understand? (Attach additional pages, if necessary.)

____
____
____
____
____
____
____
____

7. Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes_____No _____

If No, do you wish to have more time to do so?

Yes_____No _____

8. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes_____No _____

9. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the FDD?

Yes_____No _____

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the FDD?

Yes_____No _____

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the FDD?

Yes_____No _____

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the FDD?

Yes_____No _____

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes_____No _____

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD, Franchise Agreement, and/or Multi-Unit Operating Agreement?

Yes_____No _____

15. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes_____No _____

16. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes_____No _____

17. Have you spoken to any other franchisee(s) of this System before deciding to purchase this franchise? If so, who? ____

If you have answered No to question 8, or Yes to any one of questions 9-16, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.)

____

____

____

I signed the Franchise Agreement(s) and any Addendum (if any) on _________________, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge the following:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You acknowledge receipt of the Franchisor's FDD. You acknowledge that you have had the opportunity to personally and carefully review these documents. Furthermore, you have been advised to seek professional assistance, to have professionals review the documents and to consult with other franchisees regarding the risks associated with the purchase of the franchise.

C. You acknowledge and agree that, if we recommend or give you information regarding a site for your Franchised Business, it is not a representation or warranty of any kind, express or implied, of the site's suitability for a Franchised Business or any other purpose. You further acknowledge that you have not relied on any advice, statement, promise or assurance or otherwise with respect to the suitability of the site for a Franchised Business. If you believe that such a statement, advice, promise or assurance has been made, please describe such statement, advice, promise or assurance in the space provided below or write "None."

____

____

D. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise. Except as contained in Item 19 of the FDD, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than as set forth in Item 19 of the FDD, please describe those in the space provided below or write "None".

____

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E. You acknowledge that no statement, promise or assurance has been made to you by a Broker concerning the advertising, marketing, training, support services or assistance that we will furnish you that is contrary to, or different from, the information contained in the FDD. If you believe that such a statement, promise or assurance has been made, please describe such statement or promise in the space provided below or write "None".

____

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F. You acknowledge that no other statement, promise or assurance has been made to you by a Broker concerning any other matter related to a Franchised Business that is contrary to, or different from, the information contained in the FDD. If you believe that such a statement, promise or assurance has been made, please describe such statement, promise or assurance in the space provided below or write "None".

____

____

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____

G. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "**Executive Order**") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti- terrorism measures (the "**Anti-Terrorism Measures**"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

(i) a person or entity listed in the Annex to the Executive Order;

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this____day of_______________, 20_______.

Sign here if you are taking the franchise as an as a INDIVIDUAL	Sign here if you are taking the franchise CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP
By:______________________________	By:________________________________
Name:___________________________	Name:_____________________________
	Title:______________________________

EXHIBIT B TO
JUNK START FRANCHISE, LLC FRANCHISE DISCLOSURE DOCUMENT

OPERATIONS MANUAL TABLE OF CONTENTS

OPERATIONS MANUAL TABLE OF CONTENTS

FRANCHISE OPERATIONS MANUAL

Table of Contents

Version 1.2

9 OTHER RESOURCES

9.1 Introduction
9.2 Condensed Truck Team Handout
9.3 Websites for Small Businesses
9.4 Websites for Organizations
9.5 Websites for Employment Laws
9.6 Website for Tax Information
9.7 Recommended Books

10 MANAGEMENT FORMS AND DOCUMENTS

10.1 Employee Relations
10.2 Management Forms and Policies
10.3 Procedures and Checklists

EXHIBIT C TO
JUNK START FRANCHISE, LLC FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

Junk Start Franchise, LLC

Financial Statements

As of December 31, 2025 and for the period from inception (May 15, 2025) through December 31, 2025

Junk Start Franchise, LLC

Financial Statements

As of December 31, 2025 and for the period from
inception (May 15, 2025) through December 31, 2025

Table of Contents

A&G LLP
CERTIFIED PUBLIC ACCOUNTANTS

Dallas Office
2425 N Central Expy.
Suite 200
Richardson, TX 75080
Phone 972 238 5900
Fax 972 692 5357

www.agllp-cpa.com

Independent Auditor's Report

To the Member
Junk Start Franchise, LLC
San Antonio, Texas

Report on the Financial Statements

Opinion

We have audited the financial statements of Junk Start Franchise, LLC (the "Company"), which comprise the balance sheet as of December 31, 2025, and the statements of operations, changes in member's equity and cash flows for the period from inception (May 15, 2025) through December 31, 2025 and related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and the results of its operations, changes in member's equity and its cash flows for the period from inception (May 15, 2025) through December 31, 2025 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year from the date the financial statements are 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used, and the reasonableness of, significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for a reasonable period of time.

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

A+G LLP

Dallas, Texas
April 24, 2026

Balance Sheet

As of December 31,		2025
Assets		
Current assets:		
Cash and cash equivalents	$	49,900
Total assets	$	49,900
Liabilities and Member's Equity		
Current liabilities:		
Accrued expenses	$	7,079
Member's equity		42,821
Total liabilities and member's equity	$	49,900

Statement of Operations

For the period from inception (May 15, 2025) through December 31,	2025
Revenues:	$ -
General and administrative expenses:	
Advertising and marketing	88,678
Personnel costs	95,118
Professional fees	22,367
Other general and administrative expenses	100
Total general and administrative expenses	206,263
Net loss	**$ (206,263)**

Statement of Changes in Member's Equity

Balance at May 15, 2025 (inception)	$ -
Net loss	(206,263)
Contributions from member	249,084
Balance at December 31, 2025	**$ 42,821**

Statement of Cash Flows

For the period from inception (May 15, 2025) through December 31,	2025
Operating Activities	
Net loss	$ (206,263)
Changes in operating assets and liabilities:	
Accrued expenses	7,079
Net cash used by operating activities	(199,184)
Investing Activities	
Net cash used by investing activities	-
Financing Activities	
Contributions from member	249,084
Net cash provided by financing activities	249,084
Net increase in cash and cash equivalents	49,900
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	$ 49,900

NOTES TO FINANCIAL STATEMENTS

1. Organization and Operations

Description of Business
Junk Start Franchise, LLC, a Texas limited liability company, was formed on May 15, 2025 (“Inception”) and is located in San Antonio, Texas. References in these financial statement footnotes to “Company”, “we”, “us” and “our” refer to the business of Junk Start Franchise, LLC. The Company is a wholly owned subsidiary of Junk Start Holdings, LLC (“JSH”).

The Company is a limited liability company, and therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

The Company was formed for the purpose of granting franchises for the operation of a junk removal business, such as, moving-related and estate cleanouts, furniture removal, home renovation debris removal, storage unit cleanouts, safe and eco-friendly electronics disposal and comprehensive commercial junk hauling and removal services servicing residential homes and commercial clients (“Franchised Business”). The Franchised Business operates under the proprietary mark “JunkStart” (the “Marks”).

Junk Start IP, LLC, our affiliate, owns the trademarks and other intellectual property related to the “JunkStart” franchise system. Junk Start IP, LLC has licensed the trademarks and other intellectual property to the Company under a perpetual license agreement (the “License”) dated June 24, 2025. The License grants the Company the right to use these trademarks and other intellectual property to sublicense them to franchisees of the Company.

As of December 31, 2025, there were 0 franchised outlets, and 1 affiliate-owned outlets in operation.

Going Concern
The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is in the start-up phase of its business plan and has sustained losses from operations for the period from Inception to December 31, 2025 and may be dependent upon additional funding from its member. These factors raise substantial doubt about the Company’s ability to continue as a going concern.

The Company’s member has committed to providing the necessary funding to ensure the Company has sufficient liquidity to satisfy its obligations for at least twelve months following the issuance of the financial statements.

After considering the financial wherewithal of its member to provide financial support to the Company to ensure the continued financial viability of the Company for at least twelve months following the issuance of the financial statements, management concluded that substantial doubt about the Company’s ability to continue as a going concern has been alleviated. Accordingly, these financial statements do not include any adjustments that would be required were the Company not be able to continue as a going concern.

2. Significant Accounting Policies

Basis of Accounting
The Company uses the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States (“U.S. GAAP”). Under this method, revenue is recognized when earned and expenses are recognized as incurred.

and the reported amounts of revenue and expenses during the reported period. Estimates are used for the following, revenue recognition, among others. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

2. Significant Accounting Policies (continued)

Use of Estimates
The preparation of the financial statements and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities at the date of the financial statements

Fair Value Measurements
Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial instruments consist of cash and cash equivalents and accrued expenses. The carrying value of cash and cash equivalents and accrued expenses are considered to be representative of their respective fair value due to the short-term nature of these instruments.

Assets and liabilities that are carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Cash and Cash Equivalents
For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

Revenue Recognition

Franchise fee revenue
The Company will recognize revenue in accordance with the Financial Accounting Standard Board ("FASB") ASC 606-10-25, Revenue from Contracts with Customers. In January 2021, the FASB issued ASU 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient." ASU 2021-02 provides a practical expedient that simplifies the application of ASC 606 about identifying performance obligations and permits franchisors that are not public entities to account for pre-opening services listed within the guidance as distinct from the franchise license. The Company has adopted ASU 2021-02 and implemented the guidance on its revenue recognition policy.

The Company sells individual franchises. The franchise agreements typically require the franchisee to pay an initial, non-refundable fee prior to opening the respective location(s), continuing royalty and other fees on a monthly basis based upon a percentage of franchisees gross sales. A franchise agreement establishes a right to operate one or multiple defined geographic area and provides for a ten-year initial term with the option to renew for one additional ten-year term. Subject to the Company's approval, a franchisee may generally renew the franchise agreement upon its expiration. If approved, a franchisee may transfer a franchise to a new or existing franchisee. The new franchisee will then sign a new franchise agreement and is required to pay a transfer fee

2. Significant Accounting Policies (continued)

Revenue Recognition (continued)

Franchise fee revenue (continued)
Under the terms of its franchise agreements, the Company typically promises to provide franchise rights, pre-opening services such as training and ongoing services. The Company considers certain pre-opening activities and the franchise rights and related ongoing services to represent two separate performance obligations. The franchise fee revenue will be allocated to the two separate performance obligations using a residual approach. The Company estimates the value of performance obligations related to certain pre-opening activities deemed to be distinct based on cost plus an applicable margin, and assigned the remaining amount of the initial franchise fee to the franchise rights and ongoing services. Revenue allocated to preopening activities will be recognized when (or as) these services are performed, no later than opening date. Revenue allocated to franchise rights and ongoing services will be recognized on a straight-line basis over the contractual term of the franchise agreement, as this ensures that revenue recognition aligns with the customer's access to the franchise right. Renewal fees will be recognized over the renewal term of the respective franchise from the start of the renewal period. Transfer fees will be recognized over the contractual term of the transfer agreement.

Royalty revenue
Royalty revenue will be the greater of eight percent of the franchisees' monthly gross sales or the minimum royalty fee as defined in the respective franchise agreements and is recognized as earned.

Advertising and marketing
All costs associated with advertising and marketing are expensed in the period incurred.

Income Taxes
The Company is a single member limited liability company and as such is considered a disregarded entity under the provisions of the Internal Revenue Code. Its sole member is Junk Start Holdings, LLC ("JSH"), which is also treated as a disregarded entity for U.S. federal income tax purposes and is wholly owned by an individual member. Under these provisions, the Company and JSH do not pay federal corporate income taxes on its taxable income. Instead, the individual member is subject to income tax on the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. The Company recognizes income tax related interest and penalties in interest expense and other general and administrative expenses, respectively.

The individual member files income tax returns in the U.S. federal jurisdiction and the state jurisdictions in which the Company operates. The Company is subject to routine audits by taxing jurisdictions from the inception, May 15, 2025, however, there are currently no audits for any tax periods in progress.

In accordance with FASB ASC 740-10, *Income Taxes*, the Company is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Company believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's financial condition, results of operations or cash flows. Accordingly, the Company has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2025.

Recent Accounting Pronouncements
We reviewed significant newly-issued accounting pronouncements and concluded that they either are not applicable to our operations or that no material effect is expected on our financial statements as a result of future adoption.

NOTES TO FINANCIAL STATEMENTS

2. Significant Accounting Policies (continued)

Subsequent Events
In accordance with FASB ASC 855, Subsequent Events, the Company has evaluated subsequent events through April 24, 2026, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

3. Certain Significant Risks and Uncertainties

The Company maintains its cash in a bank deposit account that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash or cash equivalents. The Company maintains its deposits in one financial institution.

4. Commitments and Contingencies

Litigation
The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of the management, all matters are of such nature, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

JUNK START FRANCHISE LLC
Balance Sheet
May 31, 2026

ASSETS

Current Assets		
CASH	$ 71,955.63	
PREPAID EXPENSES	16,278.05	
Total Current Assets		88,233.68
Property and Equipment		
Total Property and Equipment		0.00
Other Assets		
Total Other Assets		0.00
Total Assets		$ 88,233.68

LIABILITIES AND CAPITAL

Current Liabilities		
Total Current Liabilities		0.00
Long-Term Liabilities		
Total Long-Term Liabilities		0.00
Total Liabilities		0.00
Capital		
MEMBER CONTRIBUTION	$ 493,878.49	
RETAINED EARNINGS	(206,263.54)	
Net Income	(199,381.27)	
Total Capital		88,233.68
Total Liabilities & Capital		$ 88,233.68

JUNK START FRANCHISE LLC
Income Statement
For the Five Months Ending May 31, 2026

	Current Month		Year to Date	
Revenues				
SALES CENTER FEES	$ 0.00	0.00	$ 5,000.00	5.19
FRANCHISE FEES	0.00	0.00	81,250.00	84.42
TRAINING FEE	0.00	0.00	10,000.00	10.39
Total Revenues	0.00	0.00	96,250.00	100.00
Cost of Sales				
Total Cost of Sales	0.00	0.00	0.00	0.00
Gross Profit	0.00	0.00	96,250.00	100.00
Expenses				
ADVERTISING & MARKETING	10,653.40	0.00	114,376.03	118.83
PAYROLL - ADMIN	6,692.30	0.00	45,412.65	47.18
PAYROLL TAX - ADMIN	476.76	0.00	3,500.27	3.64
BENEFITS - ADMIN	1,411.40	0.00	2,964.83	3.08
PAYROLL - MARKETING	11,385.66	0.00	57,313.93	59.55
PAYROLL TAX - MARKETING	794.29	0.00	4,367.00	4.54
BENEFITS - MARKETING	849.61	0.00	3,605.88	3.75
INSURANCE EXP	1,627.81	0.00	3,255.62	3.38
OFFICE AND GENERAL EXP	777.78	0.00	1,643.99	1.71
COMPUTER SOFTWARE	2,180.15	0.00	3,223.05	3.35
MEALS & ENTERTAINMENT	1,094.04	0.00	2,179.11	2.26
LEGAL EXP	3,069.00	0.00	10,706.50	11.12
CONSULTING EXP	11,250.00	0.00	31,085.00	32.30
FRANCHISE DEVELOPMENT	7,525.00	0.00	10,050.00	10.44
TRAVEL	1,183.65	0.00	1,732.42	1.80
BANK FEES	61.73	0.00	214.99	0.22
Total Expenses	61,032.58	0.00	295,631.27	307.15
Net Income	$ (61,032.58)	0.00	$ (199,381.27)	(207.15)

JUNK START FRANCHISE LLC
Statement of Cash Flow
For the five Months Ended May 31, 2026

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	$ (61,032.58)	$ (199,381.27)
Adjustments to reconcile net income to net cash provided by operating activities		
PREPAID EXPENSES	1,627.81	(16,278.05)
ACCRUED EXPENSES	0.00	(5,000.00)
ACCRUED PAYROLL	0.00	(2,078.95)
Total Adjustments	1,627.81	(23,357.00)
Net Cash provided by Operations	(59,404.77)	(222,738.27)
Cash Flows from investing activities		
Used For		
Net cash used in investing	0.00	0.00
Cash Flows from financing activities		
Proceeds From		
MEMBER CONTRIBUTION	34,199.04	244,794.39
Used For		
Net cash used in financing	34,199.04	244,794.39
Net increase <decrease> in cash	$ (25,205.73)	$ 22,056.12

	Current Month	Year to Date
Summary		
Cash Balance at End of Period	$ 71,955.63	$ 71,955.63
Cash Balance at Beg of Period	(97,161.36)	(49,899.51)
Net Increase <Decrease> in Cash	$ (25,205.73)	$ 22,056.12

Junk Start Franchise LLC
Balance Sheet
August 31, 2025

ASSETS

Current Assets		
Frost Bank Checking	$ 50,000.00	
Total Current Assets		50,000.00
Property and Equipment		
Total Property and Equipment		0.00
Other Assets		
Total Other Assets		0.00
Total Assets		$ 50,000.00

LIABILITIES AND CAPITAL

Current Liabilities		
Total Current Liabilities		0.00
Long-Term Liabilities		
Total Long-Term Liabilities		0.00
Total Liabilities		0.00
Capital		
Capital Daniel McCarty	$ 35,000.00	
Capital Doug Kisgen	15,000.00	
Net Income	0.00	
Total Capital		50,000.00
Total Liabilities & Capital		$ 50,000.00

Junk Start Franchise LLC
Income Statement
For the Eight Months Ending August 31, 2025

	Current Month		Year to Date	
Revenues				
Total Revenues	0.00	0.00	0.00	0.00
Cost of Sales				
Total Cost of Sales	0.00	0.00	0.00	0.00
Gross Profit	0.00	0.00	0.00	0.00
Expenses				
Total Expenses	0.00	0.00	0.00	0.00
Net Income	$ 0.00	0.00	$ 0.00	0.00

EXHIBIT D TO
JUNK START FRANCHISE, LLC
FRANCHISE DISCLOSURE
DOCUMENT

LIST OF STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS

California Department of Financial Protection
and Innovation TOLL FREE 1-(866) 275-2677

LA Office
320 West 4th Street, Suite 750 Los
Angeles, CA 90013-2344 (213)
576-7500

Sacramento Office
2101 Arena Boulevard
Sacramento, CA 95834
(866) 275-2677

San Diego Office
1455 Frazee Road, Suite 315 San
Diego, CA 92108 (619) 525-4233

San Francisco Office One
Sansome St., #600 San
Francisco, CA 94104 (415)
972-8559

Florida Department of Agricultural
and Consumer Services
Division of Consumer Services
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
(904) 922-2770

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

Illinois Attorney General 500
South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-11
Indianapolis, IN 46204
(317) 232-6681

Kentucky Office of the Attorney General Consumer
Protection Division
P.O. Box 2000
Frankford, KY 40602
(502) 573-2200

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

Michigan Department of the Attorney General
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48933
(517) 373-7117

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
(651) 539-1600

Nebraska Department of Banking and Finance
1200 North Street, Suite 311
P.O. Box 95006 Lincoln,
NE 68509-5006 (402) 471-
3445

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236

North Dakota Securities Department State
Capital, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-291

Oregon Department of Consumer and
Business Services
Division of Finance and Corporate
Securities labor and Industries 350 Winter
Street, NE, Room 410
Salem, OR 97310-3881
(503) 378-4140

Rhode Island Division Of Securities 233
Richmond Street, Suite 232
Providence, RI 02903-4232

Division of Insurance
Securities Regulation
124 S. Euclid, Ste 104 Pierre, SD
57501
(605) 773-3563

Statutory Document Section Texas
Secretary of State
P.O. Box 12887 Austin,
TX 78711 (512) 475-1769

State of Utah
Division of Consumer Protection
P.O. Box 45804
Salt Lake City, Utah 84145-0804 (801)
530-6601

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

State of Washington
Director, Department of Financial
Institutions Securities Division
150 Israel Road, SW
Olympia, WA 98501
(360) 902-8760

Wisconsin Commissioner of
Securities 345 W Washington Ave.,
4th Floor Madison, WI 53703
(608) 266-8550

EXHIBIT E TO
JUNK START FRANCHISE, LLC
FRANCHISE DISCLOSURE
DOCUMENT

LIST OF AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

Daniel McCarty

Junk Start Franchise, LLC
126 E. Turbo Drive
San Antonio, Texas 78216

California Commissioner of the Department of
Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Commissioner of Financial Protection
and Innovation One Sansome St., #600
San Francisco, California 94104
(415) 972-8559

Commissioner of Corporations of the Department of
Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, CA 95834

Commissioner of Securities of the State of HI
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
P.O. Box 30054
6546 Mercantile Way
Lansing, MI 48909

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231
(518) 473 2492

North Dakota Securities Commissioner
State Capitol – 5th Floor
600 E. Boulevard Avenue
Bismarck, ND 58505

Director of Rhode Island
Division of Securities
Suite 232
233 Richmond Street
Providence, RI 02903-4232

Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, SD 57501

Clerk of the State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, VA 23219

Director, Department of Financial Institutions
Securities Division
150 Israel Road, Southwest
Olympia, WA 98501

Wisconsin Commissioner of Securities
345 West Washington Avenue, 4th Floor
Madison, WI 53703
(608) 261-9555

EXHIBIT
F TO
JUNK START FRANCHISE, LLC
FRANCHISE DISCLOSURE
DOCUMENT

<u>STATE SPECIFIC ADDENDA</u>

ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF ILLINOIS

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representation whatsoever to the Franchisor and its affiliates.

Illinois law governs the Franchise Agreement.

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.

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

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

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.

JUNK START FRANCHISE, LLC	**FRANCHISEE**
By:____________________________	By:____________________________
Name:__________________________	Name:__________________________
Title:___________________________	Title:___________________________
Date Signed:____________________	Date Signed:____________________

ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

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JUNK START FRANCHISE, LLC	**FRANCHISEE**
By:____________________________	By:____________________________
Name:__________________________	Name:__________________________
Title:___________________________	Title:___________________________
Date Signed:____________________	Date Signed:____________________

INDIANA ADDENDUM TO THE FRANCHISE AGREEMENT

ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF INDIANA ARE HEREBY AMENDED AS FOLLOWS:

1. Any agreement executed in and operative within the State of Indiana shall be governed by applicable Indiana franchise laws and the right of any franchisee to institute a civil action or initiate arbitral proceedings within the State of Indiana shall not be deemed to have been abridged in any form or manner by any provisions contained in this Agreement.

2. In compliance with Indiana Code 12-2-2.7-1(9), any provisions in this Franchise Agreement relating to non-competition upon the termination or non-renewal of the Franchise Agreement shall be limited to a geographic area not greater than the Franchise Area granted in this Franchise Agreement and shall be construed in accordance with Indiana Code 23-2-2.7-1(9).

3. Indiana Code section 23-2-2.7-1(10) prohibits the choice of an exclusive forum other than Indiana.

4. Indiana Code section 23-2.2.7-1(10) prohibits the limitation of litigation. The Indiana Secretary of State has interpreted this section to prohibit provisions in contracts regarding liquidated damages. Accordingly, any provisions in the Franchise Agreement regarding liquidated damages may not be enforceable.

5. In compliance with Indiana Code 23-2-2.7-1(10), any inference contained in this Franchise Agreement to the effect that the Franchisor "is entitled" to injunctive relief shall, when applicable to a Franchise Agreement executed in and operative within the State of Indiana, hereby be deleted, understood to mean and replace the words "may seek".

6. Indiana Code section 23-2-2.5 and 23-2-2.7 supersedes the choice of law clauses of the Franchise Agreement.

7. Indiana Code section 23-2.2.7-1 makes it unlawful for a franchisor to terminate a franchise without good cause or to refuse to renew a franchise on bad faith.

8. Any reference contained in this Franchise Agreement to a prospective franchisee's "exclusive Franchise Area" shall, in any Franchise Agreement executed in and operative within the State of Indiana, hereby be deleted and replaced with the words "non-exclusive Franchise Area".

9. In compliance with Indiana Code 23-2-2.7-1(5), any requirement that the Franchisee must execute a release upon termination of this Agreement shall not be mandatory and is hereby made discretionary. However, Franchisee shall execute all other documents necessary to fully rescind all agreements between the parties under this Agreement.

10. 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 and 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.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

JUNK START FRANCHISE, LLC	**FRANCHISEE**
By:____________________________	By:____________________________
Name:__________________________	Name:__________________________
Title:___________________________	Title:___________________________
Date Signed:_____________________	Date Signed:_____________________

MINNESOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

For franchises and franchisees subject to the Minnesota Franchise Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Junk Start Franchise, LLC Franchise Disclosure Document.

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 and 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.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Item 13

Junk Start Franchise, LLC will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the marks to the extent required by Minnesota law.

Item 17.

Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Franchise Disclosure Document, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 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 nonrenewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 provides that any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of Minnesota or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance or which has the effect of waiving compliance with any provision of §§80C.01 to 80C.22 of the Minnesota Franchises Act, or any rule or order thereunder, is void.

Minn. Stat. §80.C.21 and Minn. Rule 2860.4400J prohibits Junk Start Franchise, LLC requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

To the extent you are required to execute a general release in favor of June Start Franchise, LLC, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. §80C.01 *et seq*. as provided by Minn. Rule 2860.4400J.

MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT

This Amendment shall pertain to franchises sold in the State of Minnesota and shall be for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement and/or Development Agreement to the contrary, the Agreement shall be amended as follows:

1. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Agreement, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 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 of non-renewal of the Franchise Agreement.

2. Junk Start Franchise, LLC will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or will indemnify you from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the marks to the extent required by Minnesota law.

3. The Franchise Agreement shall be supplemented by the following provision:

Pursuant to Minn. Stat. Sec. 80C.21, nothing in this Agreement shall, in any way abrogate or reduce any of your rights as provided in Minnesota Statutes, Chapter 80C, including but not limited to the right to submit matters to the jurisdiction of the courts of Minnesota.

4. Minn. Stat. '80.C.21 and Minn. Rule 2860.4400J prohibit Junk Start Franchise, LLC from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

5. To the extent you are required to execute a general release in favor of Junk Start Franchise, LLC, such release shall exclude liabilities arising under the Minnesota Franchises Act, Minn. Stat. '80C.01 *et seq*. as provided by Minn. Rule 2860.4400J.

6. Any claims brought pursuant to the Minnesota Franchises Act, '80.C.01 *et seq*. must be brought within 3 years after the cause of action accrues. To the extent that any provision of the Franchise Agreement imposes a different limitations period, the provision of the Act shall control.

7. 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 and 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.

JUNK START FRANCHISE, LLC	**FRANCHISEE**
By:______________________________	By:______________________________
Name:___________________________	Name:___________________________
Title:____________________________	Title:____________________________
Date Signed:_____________________	Date Signed:_____________________

WISCONSIN ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF WISCONSIN

IN THE STATE OF WISCONSIN CHAPTER 135 OF THE WISCONSIN FAIR DEALERSHIP LAW GOVERNS THIS AGREEMENT. YOU MAY WANT TO REVIEW THIS LAW.

For franchises and franchisees subject to the Wisconsin Fair Dealership Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Junk Start Franchise, LLC Wisconsin Franchise Disclosure Document.

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 and 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.

Item 17.

For Wisconsin Franchisees, ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract between Franchisor and Franchisee inconsistent with the Law.

EXHIBIT G TO
JUNK START FRANCHISE, LLC FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

Table 1
Franchisees with One or More Outlets Opened as of 12/31/2025

None.

Table 2
Franchisees with Franchise Agreements Signed but Outlet(s) Not Opened as of 12/31/2025

None.

Table 3
Franchisees with Franchise Agreements Signed After 12/31/2025; Not Yet Opened

None.

EXHIBIT H TO
JUNK START FRANCHISE, LLC FRANCHISE DISCLOSURE DOCUMENT

LIST OF FORMER FRANCHISEES

None.

EXHIBIT I TO JUNK START FRANCHISE, LLC FRANCHISE DISCLOSURE DOCUMENT

MASTER EQUIMENT LEASE AGREEMENT

MASTER EQUIPMENT LEASE AGREEMENT

This Master Equipment Lease Agreement (the "Agreement" or "Master Lease") is hereby made and entered into on ___________________ (the "Effective Date"), by and Junk Start Equipment, LLC, a Texas limited liability company with a business address at 126 E. Turbo Drive, San Antonio, Texas 78216 ("Lessor"), and ________________________ a ________________ _____________________ with a business address at _________________________ ("Lessee"). Lessor and Lessee are each a "Party" and together the "Parties."

BACKGROUND

A. Lessee is a franchisee of Junk Start Franchise, LLC (the "Franchisor") operating a junk-removal business under a franchise agreement between Lessee and Franchisor (the "Franchise Agreement").

B. Lessor is an affiliate of Franchisor that owns proprietary on-truck weighing systems and related components (collectively, the "Weighing System"), which the Franchise Agreement requires each franchisee to install and use in its franchised business.

C. Lessee desires to lease one or more Weighing Systems from Lessor, and Lessor is willing to lease the Weighing Systems to Franchisee, based on the terms of this Agreement and one or more Equipment Schedules entered into under it.

NOW, THEREFORE, in consideration of the mutual covenants below and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. **Definitions.**

1.1 **Commencement Date.** For each Schedule, the date the Weighing System is installed and accepted (or deemed accepted) by Lessee under Section 4, as stated in that Schedule.

1.2 **Franchise Agreement.** Has the meaning given in the Recitals.

1.3 **Schedule.** "Schedule" means a schedule substantially in the form of **Exhibit A**, executed by the Parties and incorporating the terms of this Agreement, that identifies one or more Weighing Systems, the vehicle(s) on which they are installed, the Rent, and other unit-specific terms.

1.4 **Weighing System.** "Weighing System" means each proprietary truck-mounted scale and weighing system identified on a Schedule, together with all scales, load cells, sensors, mounts, brackets, cabling, displays, controllers, embedded firmware, software, documentation, accessories, replacement parts, and all additions, attachments, upgrades, and improvements to any of the foregoing. Each truck is equipped with one Weighing System. References to "the Weighing System" include all Weighing Systems leased under the Schedules, individually and collectively, as the context requires.

2. **Lease of Weighing Systems; Agreement Structure.**

2.1 **Agreement to Lease.** Subject to this Agreement, Lessor leases to Lessee, and Lessee leases from Lessor, the Weighing System identified on each Schedule. Each Schedule, once executed, is a separate lease that incorporates all terms of this Agreement; in the event of a conflict between this Agreement and a Schedule, the Schedule controls solely as to the Weighing System it covers.

2.2 **Adding Weighing Systems Over Time.** The Parties intend to execute additional Schedules as Lessee deploys additional trucks. Lessor has no obligation to lease additional Weighing Systems except as it agrees in a signed Schedule. Each new Schedule is governed by this Agreement as in effect when that Schedule is signed.

2.3 **Required Weighing System.** Lessee acknowledges that the Weighing System is **required equipment** under the Franchise Agreement and that Lessee must keep a working, leased Weighing System installed and in service on each franchised vehicle as required by the Franchise Agreement and Franchisor's system standards.

3. **Term.**

3.1 **Master Term.** This Agreement begins on the Effective Date and continues until all Schedules have expires or terminated and all of Lessee's obligations have been satisfied, unless earlier terminated as provided herein or in the Franchise Agreement.

3.2 **Schedule Term.** Each Schedule begins on its Commencement Date and, unless a fixed term is stated in the Schedule, continues on a month-to-month basis. In all events, each Schedule expires automatically upon the expiration or termination of the Franchise Agreement, and no Schedule survives the expiration of the Franchise Agreement.

3.3 **No Automatic Renewal of Ownership Rights.** Renewal or continuation of any Schedule does not transfer or create any ownership, equity, or purchase right in the Weighing System.

4. **Delivery, Installation, and Acceptance.**

4.1 **Delivery; Installation.** The Weighing System will be installed on Lessee's designated vehicle(s) by Lessor or a technician approved by Lessor. Such vehicle(s) will be delivered to Lessor by the dealer or Lessee to install the Weighing System and once completed, Lessee will be responsible for picking up the vehicle(s) or organizing the shipment of the vehicle(s) from Lessor to Lessee.

4.2 **Acceptance.** Lessee will inspect each Weighing System promptly after delivery or pickup of the vehicle. Lessee is deemed to have accepted the Weighing System on the earlier of (a) Lessee's written acceptance, and (b) three (3) business days after installation if Lessee has not delivered a written, itemized notice of non-conformity. Acceptance establishes the Commencement Date for that Schedule.

5. **Rent; Net Lease (NNN).**

5.1 **Rent.** Lessee will pay Lessor monthly rent of $__________ per Weighing System (the "Rent"), unless a different rate is stated in a Schedule. Rent for each Schedule begins on its Commencement Date and is due in advance on the tenth (10^{th}) day of each month. Rent for any partial month is prorated on a daily basis. The Rent will not increase by more than 10% each year.

5.2 **Absolute Net Lease.** This is an absolute net ("NNN") lease. Lessee is responsible for, and will pay or reimburse Lessor for, all costs relating to the Weighing System, including maintenance, calibration, repair, insurance, and personal property taxes, as further provided in this Agreement. Rent and all other amounts are net to Lessor.

5.3 **Payment.** Lessee's obligation to pay Rent and all other amounts is absolute and unconditional and is not subject to any abatement, reduction, setoff, defense, counterclaim, or deduction for any reason, including any defect in the Weighing System, loss of use, or any claim against Lessor, Franchisor, or any manufacturer. This Section survives so long as any amount is owed.

5.4 **Default Interest.** Any amount not paid when due accrues interest at 1.5% per month (or the maximum lawful rate, if less) until paid. Lessor may apply payments to charges, interest, then Rent, in any order Lessor elects.

5.5 **Method of Payment.** Lessee will pay by the method Lessor designates, including automatic ACH debit if required by Lessor or the Franchise Agreement.

6. **Ownership; True Lease; No Transfer of Title.**

6.1 **Lessor Retains Title in Perpetuity.** The Weighing System is and at all times remains the sole and exclusive property of Lessor. Lessee acquires only the right to possess and use the Weighing System during the term of the applicable Schedule. No ownership, title, equity, or other proprietary interest in the Weighing System ever passes to Lessee, whether by lapse of time, payment of Rent, renewal, or otherwise. There are no purchase options and no lease-to-own arrangements.

6.2 **Operating Lease / True Lease Intent.** The Parties intend this Agreement and each Schedule to be a true lease and an operating lease, and not a sale, conditional sale, financing, or security agreement. Lessee will treat the Weighing System consistently with that intent for all purposes, including accounting and tax, and will not take any position inconsistent with Lessor's ownership.

6.3 **Personal Property; No Fixture.** The Weighing System is and remains personal property and does not become a fixture or part of any vehicle or real property, even when affixed. Lessee will keep the Weighing System free of any lien, claim, or encumbrance and will take all steps Lessor reasonably requests to confirm and protect Lessor's ownership.

6.4 **Precautionary Filings.** Solely as a precaution, and without implying that this is anything other than a true lease, Lessee authorizes Lessor to file UCC financing statements and other notices describing the Weighing System and identifying Lessor as owner/lessor. If a court ever recharacterizes this Agreement as a secured financing, Lessee grants Lessor a first-priority security interest in the Weighing System and all proceeds to secure all of Lessee's obligations.

6.5 **Identification.** Lessee will not remove, deface, or cover any nameplate, serial number, label, or other marking on the Weighing System that identifies Lessor's ownership, and will affix and maintain any ownership labels Lessor provides.

7. **Use, Maintenance, and Repair.**

7.1 **Permitted Use.** Lessee will use the Weighing System only in the ordinary operation of its franchised business, in compliance with the Franchise Agreement, all manufacturer specifications, and all applicable laws (including weights-and-measures and transportation laws).

7.2 **Lessee Bears All Maintenance.** At Lessee's sole cost, Lessee will keep the Weighing System in good operating condition and repair (ordinary wear and tear excepted) and will perform all maintenance, calibration, and repair required by the manufacturer, applicable law, and Lessor's standards, using only Lessor-approved parts and service providers.

7.3 **Calibration / Legal-for-Trade.** Lessee is solely responsible for keeping each Weighing System properly calibrated and, where applicable, certified for its intended use, and for maintaining all related records. Lessor is not responsible for any inaccurate weight, measurement, billing, or regulatory issue arising from the Weighing System or its use.

7.4 **No Improvements Without Consent.** Any additions, attachments, or improvements to the Weighing System become part of the Weighing System and Lessor's property. Lessee will not make any alteration except as permitted in Section 9.

8. **Tax.**

8.1 **Personal Property Tax.** Lessee is responsible for and will timely pay all personal property and ad valorem taxes assessed on the Weighing System in each jurisdiction where the Weighing System is located. Lessor may, at its option, (a) require Lessee to file the returns and pay the tax directly, or (b) file returns and pay the tax and invoice Lessee for reimbursement, due within 15 days.

8.2 **Other Taxes.** Lessee will pay all sales, use, rental, excise, and similar taxes, fees, and charges imposed on the lease, possession, use, or Rent of the Weighing System, excluding only taxes on Lessor's net income. Lessee will provide proof of payment on request.

9. Required Insurance.

9.1 **Required Insurance.** Lessee does not need to obtain any separate insurance policy for the Weighing System, however, Lessee shall include the Weighing System in its commercial auto insurance policy or inland marine/property policy, with Lessor named as loss payee and additional insured under such policy.

9.2 **Policy Requirements.** All policies will be with insurers reasonably acceptable to Lessor, be primary and non-contributory, include a waiver of subrogation in favor of Lessor, and provide that the coverage may not be cancelled or materially reduced without at least 30 days' prior written notice to Lessor.

9.3 **Annual Certificate of Insurance.** Lessee will deliver a certificate of insurance (COI) evidencing the required coverage on or before each Commencement Date and at least annually thereafter, and otherwise on Lessor's request. Failure to maintain or evidence insurance is an Event of Default, and Lessor may (but need not) obtain coverage at Lessee's expense.

9.4 **Risk of Loss.** From delivery until return, Lessee bears all risk of loss, theft, damage, or destruction of the Weighing System, regardless of cause and regardless of whether covered by insurance. No such event relieves Lessee of any obligation, including the obligation to pay Rent (subject to Section 9.6).

9.5 **Proceeds; Replacement Procured by Lessor.** All insurance proceeds for loss of or damage to the Weighing System are payable to and belong to Lessor. Lessor (not Lessee) will procure any replacement Weighing System. Lessee will cooperate fully in any claim and will pay any shortfall between the proceeds and the cost of repair or replacement.

9.6 **Damage Beyond Repair.** If a Weighing System is lost, stolen, or damaged beyond economical repair (as Lessor reasonably determines), then, on Lessor's written notice, the affected unit's Schedule (or the applicable line of that Schedule) terminates as to that unit. Rent for that unit continues to accrue through the date Lessor receives all applicable insurance proceeds and any shortfall payment from Lessee. Lessor will procure a replacement Weighing System, and the Parties will execute a new Schedule for the replacement unit at Lessor's then-current rates and terms. Lessee remains obligated to keep a working Weighing System on each franchised vehicle as required by the Franchise Agreement.

10. Intellectual Property; Restrictions.

10.1 **Proprietary Rights.** The Weighing System embodies Lessor's and its affiliates' proprietary and confidential technology, designs, firmware, and software. All intellectual property in and to the Weighing System is and remains owned by Lessor and its affiliates. Lessee receives no license except the limited right to use the Weighing System as installed in its franchised business.

10.2 **No Subleasing or Third-Party Use.** Lessee will not sublease, sublicense, rent, lend, share, assign, pledge, or otherwise permit any third party to use or possess the Weighing System, and will not move the Weighing System to any vehicle or location not identified in a Schedule without Lessor's prior written consent.

10.3 **No Modification or Reverse Engineering.** Lessee will not, and will not permit any third party to, modify, alter, adapt, tamper with, disassemble, decompile, reverse-engineer, copy, or attempt to derive the design, source code, or know-how of the Weighing System or any of its firmware or software, except to the limited extent (if any) that applicable law expressly prohibits this restriction.

10.4 **Inspection Rights.** On reasonable prior notice and during normal business hours, Lessor and its representatives may inspect, test, and audit the Weighing System, its installation, calibration records, and the location, and may verify Lessee's compliance with this Agreement. Lessee will provide reasonable access and cooperation.

10.5 **Confidentiality.** Lessee will keep confidential all non-public information about the Weighing System and its technology and will use it only as needed to operate the franchised business.

11. **Return and Recovery of Weighing System.**

11.1 **Return Events.** Upon the expiration, termination, non-renewal, or transfer of this Agreement, any Schedule, or the Franchise Agreement, or upon any Event of Default, Lessee will, with respect to all affected Weighing Systems, immediately cease use and return the Weighing System to Lessor at the location Lessor designates, at Lessee's cost.

11.2 **Vehicle Trade-In or Disposition.** Before Lessee sells, trades in, returns, surrenders, totals, or otherwise disposes of any vehicle on which Weighing System is installed, Lessee will, at Lessee's cost, have the Weighing System professionally de-installed and either returned to Lessor or relocated to a replacement vehicle under a Schedule, as Lessor directs. Lessee will never allow the Weighing System to be transferred with, or remain on, a vehicle that leaves Lessee's possession or control, without Lessor's prior written consent.

11.3 **Condition; Cost of De-Installation and Return.** Lessee bears all costs of de-installation, packing, freight, insurance, and return of the Weighing System. The Weighing System must be returned complete, in good operating condition (ordinary wear and tear excepted), professionally de-installed so as not to damage the Weighing System, and accompanied by all records, accessories, and documentation.

11.4 **Lessor's Right of Entry and Removal.** If Lessee fails to return any Weighing System when required, Lessor and its representatives may, to the extent permitted by law and without being deemed to commit a breach of the peace, enter any premises or access any vehicle where the Weighing System is or may be located and take possession of and remove the Weighing System. Lessee grants Lessor an irrevocable license to do so and will reimburse Lessor for all costs of recovery, including de-installation, transport, and reasonable attorneys' fees.

11.5 **Recovery Despite Third-Party Claims / Foreclosure.** Because Lessor owns the Weighing System, no creditor, lender, lienholder, or purchaser of Lessee or of any vehicle acquires any right in the Weighing System. If any lender or other party forecloses on, repossesses, or otherwise takes a vehicle or other asset of Lessee, Lessor retains the right to access, remove, and recover the Weighing System regardless. Lessee will (a) promptly notify Lessor of any such action, (b) notify any lender, lessor, or landlord in writing that the Weighing System is owned by Lessor and is not collateral, and (c) on Lessor's request, use commercially reasonable efforts to obtain a written waiver or acknowledgment from each such lender, vehicle lessor, or landlord recognizing Lessor's ownership and right of access and removal.

11.6 **Holdover.** If Lessee retains any Weighing System after a return obligation arises, Lessee will pay Rent for that Weighing System at 150% of the then-current rate for each month or part of a month until returned or recovered, in addition to Lessor's other remedies.

12. **Warranties; Disclaimer.**

12.1 **Mutual Authority.** Each Party represents that it is duly organized and has full authority to enter into and perform this Agreement and each Schedule it signs.

12.2 **Disclaimer.** Except for any **separate written warranty** Lessor expressly provides, the Weighing System is leased **"AS IS"** and **"WITH ALL FAULTS,"** and **LESSOR DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** Lessee's sole remedy for any Weighing System defect is as stated in any such separate written warranty. This disclaimer is consistent with the net-lease nature of this Agreement and Section 5.3.

13. Indemnification; Limitation of Liability.

13.1 **Indemnity.** Lessee will defend, indemnify, and hold harmless Lessor, Franchisor, and their affiliates, members, managers, officers, employees, and agents from and against all claims, losses, liabilities, damages, penalties, and expenses (including reasonable attorneys' fees) arising out of or relating to the Weighing System, its possession, installation, use, calibration, maintenance, condition, or return, or any breach of this Agreement by Lessee, except to the extent caused by Lessor's gross negligence or willful misconduct.

13.2 **Limitation.** To the maximum extent permitted by law, Lessor will not be liable for any indirect, incidental, special, consequential, or punitive damages, or for lost profits or business interruption, arising out of the Weighing System or this Agreement. Lessor's aggregate liability will not exceed the Rent paid by Lessee for the affected Weighing Systems in the 12 months before the claim arose.

14. Default and Remedies.

14.1 **Events of Default.** Each of the following is an "Event of Default":

(a) Lessee fails to pay any amount when due and does not cure within 10 days after notice;

(b) Lessee breaches any other term of this Agreement or any Schedule and does not cure within 30 days after notice (or immediately, for breaches of Sections 6, 9, 10, or 11, which are not curable as a matter of right);

(c) Lessee's insurance lapses or the required COI is not maintained;

(d) a default occurs under the Franchise Agreement, or the Franchise Agreement expires or terminates;

(e) Lessee becomes insolvent, makes an assignment for the benefit of creditors, or becomes subject to a bankruptcy or receivership proceeding; or

(f) any vehicle bearing Weighing System is repossessed, foreclosed on, seized, or transferred without compliance with Section 11.

14.2 **Remedies.** On an Event of Default, Lessor may, in addition to all rights at law or in equity and cumulatively: (a) terminate any or all Schedules; (b) declare all unpaid Rent for the remaining term of any affected Schedule immediately due; (c) recover the Weighing System under Section 11, including by entry and self-help; (d) recover all costs of recovery, de-installation, repair, and re-leasing; and (e) recover reasonable attorneys' fees and costs. No remedy is exclusive.

14.3 **Cross-Default with Franchise Agreement.** A default under this Agreement is a default under the Franchise Agreement, and a default under the Franchise Agreement is a default under this Agreement, in each case as provided in those agreements.

15. Assignment.

15.1 **Lessor May Assign.** Lessor may sell, assign, transfer, pledge, or grant a security interest in this Agreement, any Schedule, the Weighing System, and/or the Rent, in whole or in part, to any party (including a lender or financing source), with or without notice to Lessee. Lessee will, on request, acknowledge any such assignment and pay Rent and other amounts as directed. Any assignee will have all of Lessor's rights but none of its unperformed obligations unless expressly assumed.

15.2 **Lessee May Not Assign.** Lessee will not assign, transfer, sublease, or otherwise dispose of this Agreement, any Schedule, or any Weighing System, or any rights or obligations under them, without

Lessor's prior written consent, which Lessor may withhold in its discretion. Any prohibited assignment is void. A change of control of Lessee is deemed an assignment.

16. Notices.

16.1 **Notices.** All notices must be in writing and delivered to the addresses in the preamble (or as later designated in writing) by personal delivery, nationally recognized overnight courier, certified mail (return receipt requested), or email with confirmation. Notice is effective on receipt.

17. General Provisions.

17.1 **Relationship to Franchise Agreement.** This Agreement supplements, and is to be read together with, the Franchise Agreement. The Weighing System is required equipment under the Franchise Agreement. Nothing herein creates any franchise, partnership, joint venture, or agency relationship between the Parties beyond lessor-lessee.

17.2 **Governing Law; Venue.** This Agreement is governed by the laws of the State of Texas, without regard to conflict-of-laws rules. The Parties consent to exclusive jurisdiction and venue in the state court of general jurisdiction located closest to Lessor's headquarters (currently, the District Courts of Bexar County, Texas, in San Antonio), or, where appropriate, the United States District Court for the Western District of Texas, and each Party waives any objection to such venue or to personal jurisdiction in those courts. This Section is subject to any dispute-resolution terms in the Franchise Agreement.

17.3 **Entire Agreement; Amendment.** This Agreement and the Schedules are the entire agreement of the Parties as to the Weighing System and supersede all prior understandings on that subject. No amendment is effective unless in writing and signed by both Parties, except that Lessor may set then-current rates and terms for new Schedules.

17.4 **Waiver; Severability.** No waiver is effective unless in writing, and no delay in exercising a right is a waiver. If any provision is held unenforceable, the rest remains in effect, and the provision will be modified to the minimum extent needed to be enforceable.

17.5 **Further Assurances.** Lessee will promptly execute and deliver any documents (including UCC authorizations, lien waivers, estoppels, and assignment acknowledgments) that Lessor reasonably requests to carry out this Agreement and protect Lessor's ownership and rights.

17.6 **Survival.** Sections 5.3, 6, 9.5, 10, 11, 12, 13, 14, 15, and 17, and any payment obligations, survive expiration or termination.

17.7 **Counterparts; Electronic Signatures.** This Agreement and each Schedule may be signed in counterparts and by electronic signature, each of which is an original and all of which together are one instrument.

[Signature to appear on the following page.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

LESSOR:	**LESSEE:**
JUNK START EQUIPMENT, LLC	______________________________
By: ________________________	By: ___________________________
Name: ______________________	Name: _________________________
Title: _______________________	Title: __________________________
Date: _______________________	Date: __________________________

EXHIBIT A

Form of Schedule

This Schedule No. [#] is entered into as of _____________, and incorporates by reference all terms of the Master Equipment Lease Agreement dated _____________, between Junkstart Equipment, LLC and [Lessee] (the "Agreement"). Capitalized terms have the meanings given in the Agreement.

	Weighing System (Serial Number)	Vehicle (VIN)	Location	Monthly Rent
1				$
2				$
3				$

Commencement Date: As established under Section 4 of the Agreement.

Term for this Schedule: Month-to-month, but co-terminus with the Franchise Agreement.

Rent: $___________ per Weighing System per month (or as stated above), due in advance, NNN, per Section 5 of the Agreement.

Special Terms (if any):

This Schedule is governed by the Agreement. By signing, Lessee accepts the Weighing System(s) listed above (subject to Section 4) and agrees it is leased on the terms of the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

LESSOR:

JUNK START EQUIPMENT, LLC

By: ________________________

Name: ______________________

Title: _______________________

Date: _______________________

LESSEE:

____

By: __________________________

Name: ________________________

Title: _________________________

Date: _________________________

EXHIBIT J TO
JUNK START FRANCHISE, LLC
FRANCHISE DISCLOSURE
DOCUMENT

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Florida, Hawaii, Indiana, Illinois, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state:

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Pending
Indiana	Pending
Maryland	Not Registered
Michigan	Pending
Minnesota	Pending
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Pending

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

EXHIBIT K TO
JUNK START FRANCHISE, LLC
FRANCHISE DISCLOSURE
DOCUMENT

RECEIPTS

RECEIPT (OUR COPY)

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 Start Franchise, LLC offers you a franchise, it must provide this disclosure document to you fourteen (14) calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon, and Wisconsin require that we give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Junk Start Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and your State Administrator listed in Exhibit E to this Franchise Disclosure Document. A list of franchisor's agents registered to receive service of process is listed in Exhibit F.

I have received a Franchise Disclosure Document with an issuance date of April 24, 2026, as amended July 29, 2026, which contained the following Exhibits:

A: Franchise Agreement
B: Operations Manual Table of Contents
C: Financial Statements
D: List of State Administrators
E: List of Agents for Service of Process
F: State Specific Addenda
G: List of Franchises
H: List of Former Franchisees
I: Master Equipment Lease
J: State Effective Date
K: Receipts

The franchisor is Junk Start Franchise, LLC, located at 126 E. Turbo Drive, San Antonio, Texas 78216. Its telephone number is (210) 910-5865. The franchise sellers are:

Name: Daniel McCarty, Address: 126 E. Turbo Drive, San Antonio, Texas 78216, (210) 910-5865.

If an individual:

By:______________________________

Print Name: _______________________

Date:______________________________

Telephone Number: _________________

If a Partnership, Corporation or Limited Liability Corporation:

Name of Entity: _________________________

By:___________________________________

Print Name: ____________________________

Date: __________________________________

You may return the signed receipt either by signing, dating and mailing it to Junk Start Franchise, LLC at 126 E. Turbo Drive, San Antonio, Texas 78216, or by emailing a PDF copy of the signed and dated receipt to JunkStart at daniel@junkstart.com.

RECEIPT (YOUR COPY)

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 Start Franchise, LLC offers you a franchise, it must provide this disclosure document to you fourteen (14) calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon, and Wisconsin require that we give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Junk Start Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and your State Administrator listed in Exhibit E to this Franchise Disclosure Document. A list of franchisor's agents registered to receive service of process is listed in Exhibit F.

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Name: Daniel McCarty, Address: 126 E. Turbo Drive, San Antonio, Texas 78216, (210) 910-5865

If an individual:

By:____________________________

Print Name: ______________________

Date:___________________________

Telephone Number: ________________

If a Partnership, Corporation or Limited Liability Corporation:

Name of Entity: ________________________

By:__________________________________

Print Name: ___________________________

Date: ________________________________

You may return the signed receipt either by signing, dating and mailing it to Junk Start Franchise, LLC at 126 E. Turbo Drive, San Antonio, Texas 78216, or by emailing a PDF copy of the signed and dated receipt to JunkStart at daniel@junkstart.com.