

FRANCHISE DISCLOSURE DOCUMENT

1-800-JUNKPRO, LLC
a Delaware limited liability company
608 South Ramsey Drive
Valley Center, Kansas 67147
Telephone: (316) 688-5865
www.1-800-junkproJUNKPRO.com



We are offering franchises for the operation of businesses operating under the “1-800-JUNKPRO®” name which will provide full service junk removal services for residential and commercial clients.

The total investment necessary to begin operation of a 1-800-JUNKPRO franchise is \$106,100 to \$148,100. This includes \$52,000 that must be paid to the franchisor and/or its affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mike Davis at 608 South Ramsey Drive, Valley Center, Kansas 67147 and (316) 688-5865.

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: ~~March 27, 2013~~ April 3, 2014

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. **REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed in Exhibit A for information about the franchisor, about other franchisors, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following **RISK FACTORS** before you buy this franchise:

1. **THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN KANSAS. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH US IN KANSAS THAN IN YOUR OWN STATE.**
2. **THE FRANCHISE AGREEMENT STATES THAT KANSAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
3. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that this Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

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

California	December 5, 2012
Connecticut	Trademark Exempt
Florida	November 4, 2013
Hawaii	October 30, 2012
Illinois	January 11, 2013
Indiana	
Kentucky	October 23, 2012 <u>2013</u>
Maine	Trademark Exempt
Maryland	January 11, 2013
Michigan	
Minnesota	
Nebraska	October 22, 2012
Minnesota	October 31, 2012
New York	January 18, 2013, amended as of
North Carolina	Trademark Exempt
North Dakota	
Rhode Island	April 8, 2013
South Carolina	Trademark Exempt
South Dakota	
Virginia	February 4, 2013
Washington	December 27, 2012
Wisconsin	October 22, 2012

~~This Disclosure Document is not required to be registered in the following states, but an exemption has been filed as required by the state's business opportunity laws and this Disclosure Document is effective as of the date specified below:~~

Florida	October 24, 2012
Kentucky	October 23, 2012
Nebraska	October 22, 2012
Texas	October 22, 2012
Utah	October 22, 2012 <u>November 5, 2013</u>

~~This Disclosure Document is not required to be registered and an exemption is not required to be filed in the following states and this Disclosure Document is effective as of the Date of Issuance: Alabama, Alaska, Arizona, Arkansas, Colorado, Delaware, Georgia, Idaho, Iowa, Kansas, Louisiana, Massachusetts, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Vermont, West Virginia and Wyoming.~~

Virginia	
Washington	December 25, 2013, amended as of
Wisconsin	November 7, 2013, amended as of

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EXHIBITS:

- A – State Administrators/Agents for Service of Process
- B – Multi-State Addendum
- C – Franchise Agreement with Exhibits and Multi-State Addendum
- D – List of Franchisees
- E – List of Franchisees Who Have Left the System
- F – Table of Contents of Operations Manual
- G – Financial Statements
- H – Franchisee Disclosure Acknowledgment Statement
- I – Form of General Release

RECEIPT

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

The Franchisor

1-800-JUNKPRO, LLC (“we”, “our” or “us”) is a Delaware limited liability company that was formed on March 27, 2012 and has its principal place of business at 608 South Ramsey Drive, Valley Center, Kansas 67147. We do business under our corporate and under the trade name “1-800-JUNKPRO.” We will refer to the person who buys this franchise as “you” or “your” throughout this Disclosure Document. If the franchise purchaser is a business entity, “you” or “your” also includes each partner, shareholder and/or other owner of that entity.

We are offering franchises for the operation of businesses operating under the “1-800-JUNKPRO” name which will provide full service junk removal services for residential and commercial clients (“Business” or “Franchised Business”). “Full service” junk removal means that we remove junk from anywhere on the customer’s property; the customer does not need to place all unwanted items in one spot for pick up. The “junk” we remove is generally anything that the customer’s municipal waste removal company does not pick up, such as furniture, appliances, construction or remodeling debris, yard waste, moving remnants and bulky items. A 1-800-JUNKPRO business does not provide household waste removal and does not handle the hauling of any liquids, gases, flammable waste or hazardous waste. All customer jobs are booked and dispatched through our Sales Center.

We presently do not operate a business of the type being franchised. We have never offered franchises in this or any other line of business. We began offering franchises in October 2012. Our agents for service of process are listed in Exhibit A.

Our Parents, Predecessors and Affiliates

We have no predecessor or parent. Our affiliate is Better Hauling Company, a Kansas corporation headquartered at our address and which does business under the trade name “1-800-JUNKPRO” (“Affiliate”). Our Affiliate has been operating a business similar to the one being franchised in this Disclosure Document since December 1999, and has been using the “1-800-JUNKPRO” trade name since October 2010. Our Affiliate has never offered franchises in this or any other line of business.

The System

Our system includes: a method of providing full service junk removal for residential and commercial clients; distinct color scheme and custom lettered vehicles; materials and supplies; a centralized Sales Center for booking and dispatching jobs; methods, specifications and procedures for operations; procedures for management control; training and assistance; and merchandising, advertising and promotional programs, and client service procedures, all of which may be changed, improved and further developed (the “System”). Customers will be able to book appointments on-line using our website or they can call our Sales Center to book the appointment. The Sales Center will then forward the request for service to the appropriate 1-800-JUNKPRO Business for handling. The Sales Center will schedule appointments, maintain a comprehensive customer database, and may conduct follow-up calls with customers to verify the customer’s satisfaction with the service, and may provide you with detailed reports so that you may more effectively manage your “1-800-JUNKPRO” Franchised Business.

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including the mark “1-800-JUNKPRO®”, as are now designated and may in the future

be designated by us in writing for use with the System (the “Proprietary Marks”). The Proprietary Marks are owned by our principals, Mike and Misty Davis, as described in Item 13.

The Franchise Offered

We offer you a franchise agreement (the “Franchise Agreement”) which gives you the right to establish and operate a 1-800-JUNKPRO Business for an area that we mutually agree on (“Zone”). The Franchise Agreement gives you the right to use the Proprietary Marks and the System solely with the operation of the Franchised Business. If we grant you a franchise, you must sign our current form of Franchise Agreement, which is attached to this Disclosure Document as Exhibit C. If permitted by your local laws and if you own one or two Zones, you may operate the Franchised Business from a home office if your home office meets our requirements. If you own and operate three or more Zones, you must lease office space from which to operate your Franchised Businesses. You may be required to have one (1) Service Vehicle for each Zone you own according to the Zone fleet requirements. The rollout requirements for the fleet, require that you purchase or lease Service Vehicles to meet the minimum requirement according to the Zones in your Territory in order to better service the Franchised Business and its clients.

Market and Competition

You will offer your services to residential and commercial customers. In general, the junk removal business is competitive, but quite fragmented. Your competition will come primarily from other junk removal businesses, some of which may be franchise systems, and you may also experience competition from waste removal companies. In some markets, these businesses are locally based and other markets may include regional or national chains as competitors.

We experience some seasonality to our business. Generally the warmer months of spring and summer are busier than fall and winter months. You may not experience this seasonality if your territory is located in an area with warm temperatures year-round.

Industry Specific Laws

Hauling companies are regulated by federal and state law. Most states have transportation agencies that oversee the state’s laws. The US Department of Transportation’s Federal Motor Carrier Safety Administration administers federal laws relating to this industry. There may also be restrictions on licensing related to your drivers and your trucks, and you may have to obtain special permits related to junk hauling and dumping.

We urge you to make inquiries about laws that may be applicable to your Franchised Business. Because our industry is regulated, you must be aware of all regulations and keep apprised of changes that may have an impact on the Franchised Business. You must comply with all local, state, and federal laws that apply to your Franchised Business and those laws can vary significantly from one state to the next. We have not determined the licensing requirements in your proposed territory, or whether it is possible to obtain necessary licenses. You must determine the licensing requirements in your proposed territory before you sign the Franchise Agreement. Your business also may be limited by exclusive governmental licenses claimed by other garbage or waste collection companies, or by restrictions claimed on your right to access local transfer sites or landfills. You may want to obtain a complete copy of your state’s and other applicable statutes and regulations and discuss them with your attorney.

ITEM 2
BUSINESS EXPERIENCE

President and ~~CEO~~Chief Executive Officer – Mike Davis

Mr. Davis has been our President and ~~CEO~~Chief Executive Officer since our inception in March 2012, and he has held a similar position with our Affiliate since its inception in December 1999.

CFOChief Operating Officer – Shawn Govern

Mr. Govern has been promoted to our Chief Operating Officer in April 2013. He has worked for our company since our inception in March 2012 as a Team Captain and Trainer and he held similar positions with our Affiliate since January 2010. From November 2008 to January 2010 he worked for Cessna Aircraft Company as a Machinist.

Chief Financial Officer – Misty Davis

Ms. Davis has been our ~~CFO~~Chief Financial Officer since our inception in March 2012 and she has held a similar position with our ~~Affiliate~~affiliate since its inception in December 1999. ~~Since March 2009, Ms. Davis has also worked as a Registered Nurse with Central Care Cancer Center in Newton, Kansas.~~

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

In the State of California, we will defer the payment of the initial franchise fee, development fee and any other initial payment until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

In the State of Illinois,- all fees are deferred until all initial obligations owed the Franchisee by the Franchisor or affiliates have been completed and the Franchisee has commenced doing business/opened for business. However, you must execute the Franchise Agreement prior to looking for a site or beginning training. This deferral has been imposed by the Illinois Attorney General's Office based on the Franchisor's financial condition.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

In the State of Washington, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

Initial Franchise Fee: When you sign the Franchise Agreement, you must pay to us an initial franchise fee of \$25,000 for a Zone that includes a population of approximately 250,000 people, plus \$15,000 for a second Zone, for a total minimum initial franchise fee of \$40,000. The smallest territory we will sell to a franchisee includes two Zones. The initial franchise fee is payable in a lump sum when you sign the Franchise Agreement and it is not refundable under any circumstances. _____

If you wish to purchase additional Zones, you must pay us \$15,000 in a lump sum for each additional Zone you purchase. Each additional Zone will include a population of approximately 250,000 people. If you choose to purchase additional Zones after you sign your original Franchise Agreement and while your first Franchised Business is operating, then you must be in compliance with your Franchise Agreement, the Zone you wish to purchase must be available, and you have the financial ability to purchase or lease the additional truck(s) and equipment required for the additional Zone. The reduced initial franchise fee for an additional Zone is payable when you sign a revised Exhibit A to the Franchise Agreement showing the additional Zone and is not refundable.

~~_____ **Vet Fran Incentive:** If you are a qualified United States veteran and you purchase a 1-800-JUNKPRO franchise, we will reduce your initial franchise fee by 20%.~~

~~_____ Additionally, as **“Thanks A Million Program”**~~

~~_____ As a special thank you to the men and women who have served our country, we ~~will be offering~~offer a special veterans incentive program called the “THANKS A MILLION PROGRAM”. We will be giving the first 40 honorably discharged veterans who purchase a 1-800-JUNKPRO franchise a discount of \$25,000 off the initial franchise fee.~~

VetFran Discount

~~_____ We are a member of the International Franchise Association (IFA) and participate in the IFA’s VetFran Program, which provides a discount on initial franchise fees to veterans of the U.S. Armed Forces (or spouses of active duty services members) who otherwise meet the Program’s requirements. First-time purchasers of start-up franchises who are veterans of the U.S. Armed Forces are eligible for a 20% reduction on the minimum initial franchise fee of \$40,000. To qualify for this discount, the veteran(s) must own at least a 50% interest in the franchise. “Veteran” means a recipient of an honorable discharge as evidenced by the U.S. Department of Defense.~~

~~_____ There is no VetFran discount if you are receiving this disclosure document in connection with purchasing an existing franchised business, renewing your franchise rights or if you are not purchasing your first franchise.~~

~~_____ It is the veteran’s responsibility to give us the required documents to obtain either discount. If you qualify for both discounts, the greater discount will be granted and discounts cannot be combined.~~

Initial Marketing Fee: For each Zone you purchase, you must pay to us an Initial Marketing Fee equal to \$6,000. Since the smallest territory we will grant includes two Zones, the minimum Initial Marketing Fee you must pay to us is \$12,000. This amount is paid to us when you sign the Franchise Agreement and is not refundable. We will use this fee to conduct promotional advertising for your Franchised Business before the Franchised Business opens and during its first six months of operation. This money will be spent within your Territory. The timing, type and amount of marketing purchased with the Initial Marketing Fee will be in our discretion.

There are no other payments to or purchases from us or any affiliate that you must make before your Franchised Business opens.

**ITEM 6
OTHER FEES**

Column 1 Type of Fee (1)	Column 2 Amount	Column 3 Date Due	Column 4 Remarks
Royalty Fee (Note 2)	8% of Gross Revenues	Payable on Wednesday of each week (or the next business day if any Wednesday is not a business day)	Gross Revenues includes all revenue generated by your Franchised Business less applicable sales taxes and customer refunds and adjustments
Sales Center Cooperative Fee (Note 3)	7% of Gross Revenues	Payable at the same time and in the same manner as the Royalty Fee	This fee pays for administration of the Sales Center on behalf of all 1-800-JUNKPRO Businesses
Brand Development Fee	1% of Gross Revenues	Payable at the same time and in the same manner as the Royalty Fee	The Brand Development Fund is described in Item 11
Local Advertising	1 st year of operations: 6% of Gross Revenues or \$2,400 per Zone, whichever is greater For remainder of term: 6% of Gross Revenues per Zone	Must be spent each quarter	Payable to local advertising suppliers. All local advertising materials you wish to use must first be approved by us

Column 1 Type of Fee (1)	Column 2 Amount	Column 3 Date Due	Column 4 Remarks
Cooperative Advertising	As determined by the members but not more than 6% per Zone	As determined by the members	—Any amount you contribute to an advertising cooperative will count toward your local advertising requirement, but if the amount you contribute to a cooperative is less than your local advertising requirement, you must still spend the difference locally
Transfer Fee	\$10,000	\$2,500 with request for our consent to the transfer; \$7,500 upon completion of the transfer (if permitted)	No fee is imposed for a one-time transfer to an entity formed by you for the convenience of franchise ownership
Renewal	\$5,000	Upon renewal of the Franchise Agreement	
Initial Training and Additional Personnel Training	Our then-current training fee per person, plus expenses Current training fee = \$100 per day	Within 30 days after we invoice you	We provide our initial training program to you and one additional person at no additional charge, but you must pay all of your travel and living expenses while attending training. If you wish to send additional trainees to our training program, you must pay our training fee in addition to their expenses
Additional On-Site Assistance or Training	Our then-current per diem fee per trainer, plus expenses Current per diem fee = \$300	Within 30 days after our invoice to you	Payable if you request that we provide additional training or assistance on-site at your Franchised Business, or if we believe that additional assistance is required. Reimbursable expenses include travel, lodging and meals

Column 1 Type of Fee (1)	Column 2 Amount	Column 3 Date Due	Column 4 Remarks
Refresher Training Programs	Out of pocket expenses for each attendee	Before training begins	You must attend a refresher training course at least once each year, and we may offer and/or require additional training programs. We do not currently charge a fee for these programs
Interest on Overdue Amounts	18% per annum	On demand	Any amounts not paid when due will be a default of your Franchise Agreement and will accrue interest. Interest will accrue from the original due date until payment is received in full
Audit	Reimbursement of the audit costs (estimated to be between \$1,000 and \$5,000) You must also pay any understated amount plus interest	15 days after billing	Payable if an audit is required due to your failure to provide required reports or if the audit shows an understatement in any amount reported or payable to us of 2% or more
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable upon your failure to comply with the Franchise Agreement
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your Franchised Business' operations
Liquidated Damages	See Note 34	15 days after termination	
Supplier Testing	Our costs to evaluate the proposed supplier (not to exceed \$1,000)	On demand	If you request that we approve a supplier or product, you must reimburse us for our costs in evaluating the supplier or product.

Column 1 Type of Fee (1)	Column 2 Amount	Column 3 Date Due	Column 4 Remarks
Service Vehicle Replacement	As incurred	As negotiated	Each service vehicle must be replaced before it reaches 150,000 miles or it is seven years old, whichever comes first. You are permitted to sell the cab and chassis, but the truck body must be destroyed and recycled according to our requirements. All service vehicles must meet our requirements for appearance while they are in service
Insurance	Reimbursement of our costs	On demand	If you do not obtain the required insurance, we may (but are not required to) obtain insurance on your behalf
Management Fee	5% of Gross Revenues, plus expenses	As incurred	We have the right to step in and operate your Franchised Business for you in certain circumstances. If we do this, you must pay our management fee and reimburse our expenses
Computer System Maintenance	Up to \$1,200	Annually	Payable to your supplier, if you choose to have a maintenance contract for your computer system

1. Unless otherwise noted in the chart, all fees are imposed by and payable to us and are non-refundable.

2. Royalty Fees, Sales Center Cooperative Fees and Brand Development Fees are payable to us by electronic funds transfer. You must sign any forms required by us, our bank or your bank to permit us to process EFTs from your account.

If you do not report Gross Revenues to us by each Monday, then we have the right to deduct an amount equal to 120% of the Royalty Fee, Sales Center Cooperative Fee and Brand Development Fee we last deducted from your account. If the fees you owe to us are greater than the amount we have deducted, once we are able to determine your true and correct Gross Revenues for the week ending Sunday, we will deduct the difference from your account on a day that we specify. If the fees you owe to us are less than the amount we have deducted, any overage will be applied toward your next payment due.

3. The Royalty Fee and Sales Center Cooperative Fee amounts are imposed to remove the burden from the Franchisee in having to operate its own call center.

4. If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher. Liquidated damages only applies if we terminate your Franchise Agreement due to your willful non-compliance with the terms of and your obligations under the Franchise Agreement, your failure to cure a material default within the timeframe required, and repeated, willful defaults of the Franchise Agreement.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Initial Franchise Fee – First Zone ¹	\$25,000	Lump sum	When you sign the Franchise Agreement	Us
Initial Franchise Fee – Second Zone ¹	\$15,000	Lump sum	When you sign the Franchise Agreement	Us
Initial Marketing Fee (Two Zones) ¹	\$12,000	Lump sum	When you sign the Franchise Agreement	Us
Service Vehicles – Deposit on Lease or Finance ²	\$6,000 to \$12,000	As arranged	As incurred	Approved Suppliers
Equipment and Hand Tools ³	\$1,600	As arranged	As arranged	Approved Suppliers
Computer, Office Equipment and Supplies ⁴	\$2,500 to \$6,000	As arranged	As incurred	Suppliers
Deposits and Business Licenses ⁵	\$500 to \$2,500	As arranged	As arranged	Government Agencies
Professional Fees ⁶	\$500 to \$1,000	As arranged	As arranged	Attorney, Accountant
Insurance Deposit ⁷	\$1,500 to \$6,000	As arranged	As arranged	Insurance providers

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Training Expenses ⁸	\$1,500 to \$4,000	As arranged	As arranged	Airline, Hotel, Restaurant, etc.
Real Estate and Improvements ⁹	\$0 to \$3,000	As arranged	As arranged	Landlord, Contractor
Additional Funds (3 months) ¹⁰	\$40,000 to \$60,000	As arranged	As needed	Us, suppliers, employees and other creditors
TOTAL	\$106,100 to \$148,100			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment.

1. Initial Franchise Fees, Initial Marketing Fee. These fees are described in Item 5. The smallest territory option a franchisee may purchase is two Zones.

2. Service Vehicles. Our estimate represents the down payment on two junk trucks (one junk truck per Zone). Your service vehicles must be painted and/or wrapped to our specifications, and the cost of this is included in our estimate. If you choose to purchase your truck outright instead of leasing or financing it, we estimate that you will pay between \$56,500 (for a gas powered truck) and \$69,500 (for a diesel powered truck). Our current service vehicle specifications are included in our Operations Manual and are subject to change. See Item 12 for requirements for you to purchase or lease additional trucks for your Franchised Business. The estimated lease payments for the first three months of operation for two service vehicles is between \$3,600 and \$4,200. We reserve the right to modify the required vehicle and introduce new vehicle specifications and retrofit requirements, such as roll-off containers. If you wish to purchase a used truck for your Franchised Business, the truck must be approved by us before you may purchase it.

3. Equipment and Hand Tools. Our list of required equipment is provided in the Operations Manual. The required tools include hand tools, brooms, safety equipment (gloves, respirator masks, etc.), shovel, rake, hand truck and wheelbarrow.

4. Computer; Office Equipment and Supplies. You must purchase the computer system (including hardware and software) that we specify. —The office equipment and supplies you must purchase includes phone, digital camera, stationery, business cards, credit card processing equipment, fax machine (unless this is part of the printer you purchase as part of the computer system), and basic office supplies.

5. Deposits and Business Licenses. The costs estimated above includes an estimate for the required permits and licenses you may be required by your local government to have, as well as estimated deposits for utilities and as may be required by your lease (if you choose to lease property for your Franchised Business).

6. **Professional Fees.** We strongly recommend that you engage an attorney and/or an accountant to assist you in your review of this franchise offering.

7. **Insurance Deposit.** Our estimate represents three months of premiums for the insurance you must have. Our insurance requirements are included in Item 8 below. Depending on your insurance companies' policies, you may have to pay your insurance premiums monthly, quarterly, semi-annually or annually.

8. **Training Expenses.** The figures in the chart are expenses during initial training. You will have travel, lodging and meals expenses. For this training program, we provide instructors and instructional materials, but you will need to arrange for transportation, lodging and food for yourself. The cost will depend on the distance you must travel and the type of accommodations you choose. We provide our training program to you and one additional person at no charge. If you wish to bring additional trainees to our training program, you must pay our then-current training fee for the additional trainee as well as the trainee's expenses to attend training.

9. **Real Estate and Improvements.** The low end of our estimate assumes that you will operate the Franchised Business from a home office that meets our requirements and therefore will not have any rent or leasehold improvement expenses. The high end of our estimate assumes that you will lease space and/or construct leasehold improvements for your Franchised Business. You will need approximately 400 square feet of space for your Franchised Business which must include a meeting room, equipment storage and adequate parking.

10. **Additional Funds.** You will need capital to support ongoing expenses, such as payroll, utilities, vehicle fuel and maintenance, and local advertising if these costs are not covered by sales revenue during the start up phase, which we estimate to be three months. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we estimate to be three months. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after.

We relied upon our Affiliate's experience in providing full service junk removal services since 1999 when preparing these figures. However, these figures are merely estimates and there is no assurance that additional working capital will not be necessary during this initial three month phase or at any time after the initial three months. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have developed standards and specifications for the services provided by you. You must operate your Franchised Business according to these standards. These standards will guide you in the performance of the "1-800-JUNKPRO" services your Franchised Business provides. We formulate our specifications and standards according to industry standards and standard business practices. You must purchase or lease certain items for your Franchised Business from our approved suppliers or according to our specifications. These items include trucks, truck bodies, truck signage, uniforms, marketing materials, signage, tools, equipment, and computer system. Sometimes we will only provide specifications, and it will be up to you to find suppliers that meet our specifications.

Neither we nor our ~~Affiliate~~ affiliate are an approved supplier of any item. None of our officers has an ownership interest in any approved supplier.

Specifications for your service vehicle include standards for gross tonnage, performance, type of cab/chassis; and type of truck body. We also have specifications for the type and appearance of uniforms; memory, capacity, speed and software capabilities of your computer system; capabilities of your telephone equipment; and advertising/marketing material. For example, you must obtain a model of truck body specified by us and you must purchase or lease it from one of our approved suppliers. You must also be able to process Visa, Mastercard, American Express and Discover credit card payments, use a credit card processor designated by us, and obtain software specified by us. Our list of requirements and specifications, and our list of recommended and required suppliers, will be included in our Operations Manual and we reserve the right, in the future, to designate ourselves as an approved supplier for any item, or to change or designate an approved supplier for any of these items from which you must purchase these items. Any changes to our requirements and specifications or to the list of recommended and approved suppliers will be provided to you in writing, including by e-mail, newsletter and updates to the Operations Manual.

You must obtain office/storage space for your Franchised Business, which must be large enough for you to operate computer and telephone equipment, maintain records, hold meetings, and store advertising material and recycleable material. We estimate that you will need a minimum of 400 square feet of space for the minimum size territory that includes two Zones. We anticipate that you may need to lease larger space as your Franchised Business grows.

If you wish to purchase an item from a supplier that has not yet been approved by us, you must make a written request to us for approval of the proposed item or supplier. Our criteria for approval, as may be needed, is included in the Operations Manual or may be requested from us directly in writing on a case by case basis. Generally, we apply the following criteria, among others, in considering whether the supplier will be designated as an approved supplier: (1) ability to produce the products, services, supplies, or equipment to meet both our standards and specifications for quality and uniformity and our franchisees' and customers' expectations; (2) production and delivery capabilities and ability to meet supply commitments; (3) integrity of ownership (to insure that its association with us will not be inconsistent with our image or damage our goodwill); (4) financial stability; and (5) the negotiation of a mutually satisfactory license to protect our intellectual property. Our intention in approving any item or supplier is to insure brand consistency throughout the System.

We will advise you within a reasonable time (no more than 30 days) whether the proposed items and/or supplier(s) meet our specifications, and our approval will not be unreasonably withheld. A supplier's failure to correct a deviation from our specifications will result in the termination of status as an approved supplier. We reserve the right to require you to reimburse us for reasonable expenses we incur in approving new items and/or suppliers (not to exceed \$1,000).

We currently negotiate purchase arrangements with some suppliers for the benefit of our franchisees. We do not currently receive any significant rebates from these purchases, but we reserve the right to do so in the future. There is no restriction on our use of any rebate payments that we receive, but we may (but are not obligated to) pay these rebates into the Brand Development Fund for the benefit of all 1-800-JUNKPRO Businesses.

For the fiscal year ended December 31, 2013, neither we nor our affiliates earned revenue from approved suppliers based on their sales of products to our franchisees, since we had no franchisees.

The purchase and lease of items from approved suppliers or that meet our specifications represent approximately 10% to 25% of your total expenses in connection with the establishment of the Franchised Business, and approximately 50% of your total expenses in connection with the ongoing operation of the Franchised Business.

There are currently no purchasing or distribution cooperatives in which you must participate, but we reserve the right to form these cooperatives at any time. We do not grant you any material benefits, such as the grant of additional franchises or Zones or the grant of a renewal franchise, based on your use of the suppliers that we designate.

You may sell junk removal services that are approved by us and which strictly conform to our Operations Manual. All products and services approved by us must be offered for sale on a continuous basis at your Franchised Business at the time and in the manner required by us. No sale of any product or service except those products or services approved by us may be solicited, accepted or made at or from your Franchised Business. If requested by us on at least 30 days' notice as part of a general program or standardization effort by us, the marketing of a particular product or service must be discontinued. Then this product or service is no longer an approved product or service.

We may occasionally conduct market research and testing to determine consumer trends and salability of new products, materials and services. You must cooperate by participating in our market research programs, test marketing new products and services and providing timely reports and other relevant information regarding marketing research. In connection with test marketing, you must purchase a reasonable quantity of products to be tested and effectively promote and make a reasonable effort to sell the products, materials and services. We may also require you to sign an agreement with us authorizing the test marketing.

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverages that we periodically require. Our required insurance coverages will be included in the Operations Manual and may change during the term of your Franchise Agreement. We may regulate the types, amounts, terms and conditions of insurance coverages required for your Franchised Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims.

You currently must maintain the following minimum insurance coverages: (1) comprehensive general liability with minimum liability coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate; (2) Workers' Compensation or other employer's liability insurance with minimum limits as follows: \$100,000 per accident, \$100,000 disease per person, and \$500,000 disease policy limit. You must also have any other insurance as may be required by statute or rule in the state(s) in which your Franchised Business is located or operates; and (3) automobile liability coverage, including coverage of owned, non-owned and hired vehicles of \$1,000,000 combined single limit, and these automobile liability amounts must be maintained for each service vehicle.

In addition to the insurance requirements, we recommend but do not require that you obtain the following additional insurance: (1) general casualty insurance including fire and extended coverage, vandalism, theft, burglary and malicious mischief insurance for the replacement value of your Franchised Business and its contents; and (2) an umbrella policy.

You must maintain all required policies in force during the entire term of the Franchise Agreement and any renewal terms. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us (and, if we request, our directors, employees or shareholders) as additional insureds and must provide us with 30 days' advance written notice of any material modification, cancellation or expiration of the policy. We reserve the right to obtain from your insurance carrier(s) periodic reports of losses (such as monthly, quarterly and/or annually), and you must authorize your insurance carrier(s) to provide us with these reports.

ITEM 9 **FRANCHISEE'S OBLIGATIONS**

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

Obligation	Article in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Article 9	Items 7 and 11
(b) Pre-opening purchases/lease	Articles 5 and 9	Items 7 and 11
(c) Site development and other pre-opening requirements	Not Applicable	Items 7 and 11
(d) Initial and ongoing training	Article 5	Items 6, 7 and 11
(e) Opening	Article 9	Item 11
(f) Fees	Articles 4, 8, 11 and 16	Items 5, 6, 7 and 8
(g) Compliance with standards and policies/Operations Manual	Articles 6 and 9	Items 8, 11, 14 and 16
(h) Trademarks and proprietary information	Articles 7 and 14	Items 13 and 14
(i) Restrictions on products/services offered	Articles 3 and 9	Items 8 and 16
(j) Warranty and customer service requirements	Article 9	Item 16
(k) Territorial development and sales quotas	Article 9	Item 12
(l) On-going product/service purchases	Article 5	Items 6 and 8
(m) Maintenance, appearance and remodeling requirements	Article 9	Not Applicable
(n) Insurance	Article 10	Items 7 and 8
(o) Advertising	Article 11	Items 6, 7 and 11

Obligation	Article in Franchise Agreement	Disclosure Document Item
(p) Indemnification	Article 13	Item 6
(q) Owner's participation/ management/ staffing	Article 9	Items 11 and 15
(r) Records/reports	Articles 9 and 12	Item 6
(s) Inspection/audits	Articles 9 and 12	Item 6
(t) Transfer	Article 16	Items 6 and 17
(u) Renewal	Article 4	Items 6 and 17
(v) Post-termination obligations	Article 18	Item 17
(w) Non-competition covenants	Article 15	Item 17
(x) Dispute resolution	Article 20	Items 11 and 17
(y) Liquidated Damages	Article 18	Item 6

ITEM 10
FINANCING

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

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

Except as listed below, ~~we are~~ **1-800-JUNKPRO, LLC** is not required to provide you with any assistance.

Pre-Opening Obligations

Franchise Agreement: Before the opening of a Franchised Business we will provide the following assistance and services:

1. Provide you with the manufacturer of and specifications for your service vehicle and signage so that you can lease or purchase the accepted vehicle for your Franchised Business (Franchise Agreement – Section 9.5).
2. Lend you one copy of the Operations Manual (Franchise Agreement – Section 5.1).
3. Provide an initial training program at our offices for you and one additional person, the cost of which is included in your initial franchise fee, excluding transportation, lodging, meals and salary (Franchise Agreement – Section 5.3). This training is described in detail later in this Item.
4. Provide, in addition to or in conjunction with the initial training program, additional assistance as we deem necessary or advisable (Franchise Agreement – Section 5.4).

5. Identify your Territory (Franchise Agreement – Section 2.1).
6. Provide electronic artwork and templates for various documents and for advertising purposes (Franchise Agreement – Section 5.15).

Post-Opening Obligations

Franchise Agreement: During the operation of a Franchised Business we will provide the following assistance and services:

1. Provide guidance and assistance in the operation of your Franchised Business. This guidance may be provided in the form of intranet or e-mail communications and periodic telephone communications (Franchise Agreement – Section 5.4). We will also conduct periodic inspections of your Franchised Business and its operations, including evaluations of methods used and staff employed at the Franchised Business.
2. Operate a Sales Center for the benefit of all 1-800-JUNKPRO Businesses. The Sales Center is a centralized operations center located at our headquarters. The Sales Center will receive leads which it will distribute to Franchised Businesses. (Franchise Agreement – Section 5.13)
3. Provide you with the suggested pricing structure for your jobs and provide you with the minimum and/or maximum prices that you may charge for a job, where permitted by law (Franchise Agreement – Section 5.9).
4. Maintain a Brand Development Fund and a Sales Center Cooperative Fund (Franchise Agreement – Sections 5.13 and 11.2).
5. Conduct your initial marketing campaign to promote the opening of your Franchised Business (Franchise Agreement – Section 8.2).
6. Continue efforts to establish and maintain high standards of customer satisfaction and professionalism in the System.
7. Coordinate and conduct periodic training programs for franchisees and/or their employees. We reserve the right to designate that attendance at these training programs is mandatory (Franchise Agreement – Section 5.5).

Sales Center Cooperative Fund

You must contribute 7% of the Gross Revenues of your Franchised Business every week to be placed into the Sales Center Cooperative Fund. This fund will be accounted for separately from our general funds. We will prepare, and furnish to you upon written request, an annual, unaudited financial statement which shows how the monies in this fund were used. . In our sole discretion, we may carry over any remaining funds at year end to the next calendar year, or we may allocate a portion of the remaining funds to the Brand Development Fund.

Advertising

Brand Development Fund

We maintain a brand development fund (the “Fund”). You must contribute to the Fund a weekly, non-refundable Brand Development Fee equal to 1% of your Gross Revenues. The Fund will be used for national, regional and/or local advertising, publicity and promotion relating to our business. We will determine, in our fully unrestricted discretion, the manner in which the Fund will be spent. Some portion of the Fund may be used for creative concept production, marketing surveys, test marketing and related purposes. We have the right to direct all advertising activities of the Fund with sole discretion over creative concepts, materials and media used, as well as their placement and allocation and we will employ agencies, including advertising and public relations agencies, as we determine will best achieve the goals of the Fund and these agencies will be paid from the Fund. We also have the right to determine, in our sole discretion, the composition of all geographic and market areas for the implementation of these advertising and promotional activities.

The Fund is intended to maximize general public recognition in all media of the Proprietary Mark and patronage of 1-800-JUNKPRO Franchised Businesses, and we have no obligation to ensure that expenditures of the Fund in or affecting any geographic area are proportionate or equivalent to payments of the Brand Development Fee by franchisees operating in that geographic area, or that any Franchised Business will benefit directly or in proportion to the Brand Development Fees paid for the development of advertising and marketing materials or the placement of advertising. No amount of the Fund will be spent for advertising that is principally a solicitation for the sale of franchises. We have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs) of developing, producing and distributing any advertising materials and collecting the Brand Development Fee (including attorneys’, auditors’ and accountants’ fees and other expenses incurred in connection with collecting any Brand Development Fee). There is not an advertising council composed of franchisees that advises us on advertising policies

The Fund is not our asset, and it is not a trust. We do not owe you any fiduciary obligations because we maintain the Fund. We may spend in any calendar year an amount greater or less than the aggregate contributions made by all Franchised Businesses contributing to the Fund in that year. We may make loans to the Fund (and the Fund may borrow from us or other lenders) bearing reasonable interest to cover any deficits of the Fund or cause the Fund to invest surplus for future use. Any money remaining in the Fund at the end of any year will carry forward to be used in the next year.

Any Franchised Businesses owned by us or by our affiliates will contribute to the Fund on the same basis as you. Funds from the Brand Development Fees paid will be kept separate and distinct and will be accounted for separately from our other funds. These funds will not be used to defray any of our general operating expenses, except as described above, and will not be used principally to solicit new franchisees. We will prepare, and furnish to you upon written request, an unaudited annual statement of funds collected and costs incurred.

We may incorporate the Fund or operate it through a separate entity whenever we want to. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Fund contributions at the Fund’s expense. We also may forgive, waive, settle and compromise all claims by or against the Fund.

We may at any time defer or reduce the Brand Development Fee of a business and, upon 30 days’ prior written notice to you, reduce or suspend the Brand Development Fee and Fund operations for one

or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to all businesses in the System (whether franchised or operated by us or our affiliates) in proportion to their respective Brand Development Fees paid during the preceding 12 month period. If we reinstate the Fund, it will be maintained as described above.

Since the Fund has not yet been established, no money has been spent by the Fund.

Local Advertising

During your first year of operation, you must spend 6% of your Gross Revenues or \$2,400 per Zone, whichever amount is higher, each quarter for local advertising and marketing. Beginning in the second year of operation, you must spend at least 6% of your Gross Revenues per Zone each quarter for local advertising and marketing. At our discretion, we may request, and you must provide, reports and receipts evidencing the placement of advertising.

Your advertising promotion and marketing must be completely clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically prescribe. Before you use them, you must send us for approval samples of all advertising, promotional and marketing materials which we have not prepared or previously approved. If you do not receive written or verbal approval within 30 days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional or marketing materials that we have disapproved. Advertising promotional or marketing materials which we must approve include any information on a web home page or otherwise on the Internet. You may not operate any website involving, referring to or in any way related to a competitive business. You may not use the Proprietary Marks as part of any domain name, electronic address or search engine and cannot maintain your own website under any circumstances.

Any and all advertising we approve for your use in your local market will become our property upon our approval and we may use this advertising for our own purposes. You must advertise your Franchised Business using the telephone number and website address we specify. At our request you must include certain language in your local advertising, including "Franchises Available" and our website address and telephone number.

Within 30 days of our request, you must provide us with verification of your local advertising expenditures.

Advertising Cooperatives

We will have the right, as we see fit, to establish a Cooperative Fund for an area where there are two or more Franchised Businesses in operation, or we may approve a Cooperative Fund formed by franchisees within an area. The purpose of a Cooperative Fund is to conduct advertising campaigns for the Franchised Businesses located in that area. Contributions to a Cooperative Fund will be determined by majority vote of the members of the cooperative but it will not exceed 6% per Zone. Any amounts paid to a Cooperative Fund will count as part of your local advertising requirement, but if the amount you contribute to a Cooperative Fund is less than the amount you must spend on local advertising, you must still spend the difference locally. As of the date of this Disclosure Document, there are no Cooperative Funds in existence.

If a Cooperative Fund for your area was established before you began to operate your Franchised Business, then when you open your Franchised Business, you must immediately join that Cooperative

Fund. If a Cooperative Fund for your area is established after you begin to operate your Franchised Business, then you will have 30 days to join the new Cooperative Fund. An individual Franchised Business will not need to be a member of more than one Cooperative Fund. If we (or an affiliate) contribute to a Cooperative Fund, we will have the same voting rights for our Franchised Businesses as do our franchisees with respect to their Franchised Businesses. Each Franchised Business in the Cooperative Fund, regardless of the number of Zones owned by the Franchised Business, will have one vote on Cooperative Fund matters.

The Cooperative Fund will determine who will administer the Cooperative Fund. If there are written governing documents for the Cooperative Fund, they will be available for review by you before you join the Cooperative Fund. Cooperative Funds do not need to prepare annual or periodic financial statements, but if they are prepared, they may be reviewed by you. We will have the power to require Cooperative Funds to be formed, changed, dissolved or merged.

Initial Marketing

For each Zone you purchase, you must pay to us an Initial Marketing Fee equal to \$6,000, as described in Item 5. We will use this fee to conduct promotional advertising for your Franchised Business before the Franchised Business opens and during its first six months of operation. This money will be spent within your Territory. The timing, type and amount of marketing purchased with the Initial Marketing Fee will be in our discretion.

Advisory Councils

We reserve the right to develop one or more advisory councils for the System. If we form an advisory council, it will include our representatives and franchisee representatives. Franchisee representatives may be chosen by us or may be selected by other franchisees in the System. If you participate on an advisory council, you must pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings. Any council we establish will act in an advisory capacity only and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council at any time.

Internet Websites

~~You must strictly comply with our social media policies relating to internet websites, including your participation in social or networking websites (such as Facebook, MySpace, Youtube, Yelp, LinkedIn and Twitter), the promotion of your Franchised Business on the internet, and the use of the Proprietary Marks on the internet. Our policies will be included in our Operations Manual and may be periodically updated.~~

You are not permitted to promote your Franchised Business or use any of the Proprietary Marks in any manner on any social or networking websites, such as Facebook, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Franchised Business's operation, including prohibitions on your and the Franchised Business's employees posting or blogging comments about the Franchised Business or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook and MySpace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

Site Selection and Opening

Within 45 days after you sign the Franchise Agreement, you must locate space at which you will establish your office, and which must have sufficient parking for your service vehicles and your employees' vehicles. You must provide us with all information we require so we can evaluate the space you have selected, even if you intend to operate from a home office. We will notify you within 30 days after we receive all information we need to evaluate the proposed site whether the site is accepted by us or not. Our acceptance will not be unreasonably withheld. If we do not accept your proposed home office, you must locate space to lease that meets our requirements. The factors we use in selecting and approving sites includes general location and neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings and lease terms.

We estimate that between 60 and 90 days will elapse from the date you sign the Franchise Agreement to the opening of your Franchised Business for business. Your Franchised Business must be opened for business not later than 90 days after we approve the location for your Franchised Business or 120 days after you sign the Franchise Agreement, whichever occurs first.

You may not open your Franchised Business for business until: (1) we determine that your Franchised Business has been equipped and stocked with materials and supplies in accordance with our requirements; (2) the initial training program we provided has been completed to our satisfaction by the initial trainees; (3) the initial franchise fee and all other amounts due to us have been paid; (4) you have furnished us with all certificates of insurance required by the Franchise Agreement; (5) you have obtained all required governmental permits, licenses and authorizations necessary for the operation of your Franchised Business; and (6) you are in full compliance with all the terms of the Franchise Agreement.

If you are unable to either locate a site for your Franchised Business or open the Franchised Business within our required timeframes, we have the right to terminate your Franchise Agreement unless we provide you with an extension of time.

Training Program

We will provide a mandatory training program in the operation of your Franchised Business to you and one additional person (for a maximum of two people) for approximately five days at our training facility in Valley Center, Kansas. The cost of the training program is included in your initial franchise fee and will be provided to you and one additional person, but you must pay for all costs you and your trainee incur while attending the training program, including travel, lodging, meals and applicable wages. (Franchise Agreement – Section 5.3.) If you wish to send additional trainees to our training program, you must pay our then-current training fee (currently \$100 per day, per person) as well as the trainees' expenses while attending training.

All trainees must complete our training program to our satisfaction, and you must complete our training program not later than two weeks before your Franchised Business opens. If you fail to complete the training program to our satisfaction, we may permit you to re-take the training program at your expense (including payment of our training fee) or we may elect to terminate the Franchise Agreement.

During your operation of the Franchised Business, you must attend a refresher training program at least once each year, and we may offer and/or require additional training programs. We may designate

that attendance at any of these programs is mandatory unless the absence is excused by us. We do not currently charge a fee for these programs, but you must pay the out-of-pocket expenses for each trainee from your Franchised Business attending a refresher training program. We anticipate that refresher and/or additional training will last up to five days in each calendar year.

In addition to the refresher and/or additional training programs we offer, you may request that we provide you with additional on-site assistance or training at your Franchised Business. If we provide this additional on-site assistance or training, you must pay our then-current per diem fee for each trainer we send to your location (currently \$300 per day) and you must reimburse each trainer’s expenses while providing the on-site assistance or training, including travel, lodging and meals. (Franchise Agreement – Section 5.3.)

The materials we use in conducting our training program includes our Operations Manual, Training Manual, and any other materials that we believe will be beneficial in the training process. There currently are no fixed (*ex.*, monthly or bi-monthly) training schedules, and training will be held on an as-needed basis. We will pay no compensation for any services performed by any trainee in the course of training. We may train multiple franchisees at the same training session. We project the following training schedule:

TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-the-Job Training	Column 4 Location
1-800-JUNKPRO History, Stories and Culture	0.5	0	Valley Center, Kansas
Business Model	0.5	0	Valley Center, Kansas
Marketing: 1. Brand & Marketing Philosophy 2. Marketing Planning	3	0	Valley Center, Kansas
Sales and Support Center Orientation	4	0	Valley Center, Kansas
Back Office & Administration	4	0	Valley Center, Kansas
On-site Sales Systems: Residential/Commercial	4	0	Valley Center, Kansas
Franchise Operation: 1. Schedule Management 2. Labor Scheduling 3. Meetings 4. Marketing Execution 5. Customer Experience 6. Accounts Receivable/Accounts Payable 7. Forecasting	4	0	Valley Center, Kansas

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-the-Job Training	Column 4 Location
Daily Operations: 1. Safety 2. Trucks 3. Dispatches 4. Loading 5. Dumping 6. Recycling 7. Multi Truck Jobs	4	0	Valley Center, Kansas
People Management: 1. Hiring 2. Training 3. Coaching 4. Performance Evaluation 5. Awards	3	0	Valley Center, Kansas
Fleet Management: Truck Maintenance & Safety	1	0	Valley Center, Kansas
Budget & Financial Management	2	0	Valley Center, Kansas
Recap; Question & Answer Session	2	0	Valley Center, Kansas
In-Field Training	0	8	Valley Center, Kansas

All aspects of the training are integrated so there are no definitive starting and stopping times. We reserve the right to modify the training program at any time to accommodate the individual needs and/or experience of a particular trainee.

Our instructors include Mike Davis (~~43~~14 years of relevant experience with us), Misty Davis (~~43~~14 years of relevant experience with us) and Shawn Govern (34 years of in-field management with us). -All of our instructors will have at least two years of relevant experience.

We will not hire or train any of your employees during your operation of the Franchised Business unless you request that we do so, there is space available in our next training session, and you pay our then-current training fee and the trainee's expenses while attending training. We reserve the right to review the training you provide to any of your employees and, if we believe that the employee has not been trained to our satisfaction, require you to send that employee to us to be trained, at your expense. We reserve the right to require you to send all managers and replacement managers to us for training, at your expense. Any manager must pass our training program to our satisfaction and be approved by us before they may begin operating as your manager

We reserve the right to periodically hold a regional and/or national convention of our franchisees to introduce new products or services, discuss changes, provide training and to respond to franchisee inquiries. We may designate that attendance at a convention is mandatory, unless the absence is excused by us. We will not charge a fee to attend the convention, but you must pay all expenses you and any

other attendees from your Franchised Business incur while attending, including travel, lodging, meals and applicable wages. We reserve the right to designate the venue for the franchisee convention, such as a hotel or conference center, but we will not designate an unreasonably expensive location. We expect that a franchisee convention will be held on an annual basis, and we anticipate that the convention could last up to four days.

Computer Systems and Software

You must purchase or lease the computer system we specify in our Operations Manual, including the peripheral equipment and software that we require. Unless we specify the designated supplier for the computer system, you may purchase your computer system from the vendor of your choice. We recommend, but do not require, that you purchase a Dell computer system. If you currently have computer equipment that you believe meets our specifications, you must submit a description of the computer equipment to us and we must approve of your existing computer system before you use it for the Franchised Business. You must at all times maintain a high speed internet connection for your computer system, such as a T-1 line, DSL or cable modem. We expect that the initial cost for your computer system will be approximately \$2,500.

The computer system will provide you with the following functions: word processing, e-mail, accounting, reporting and access to an internet-based software program called JunkConnect that has been customized for 1-800-JUNKPRO Franchised Businesses. We will provide you with a secure password to access JunkConnect, we will train you on how to use JunkConnect. You must use JunkConnect in the operation of your Franchised Business. The JunkConnect software is primarily used for booking jobs, client management, fee reporting and other resources for your Franchised Business. You must use QuickBooks Online and provide us with your QuickBooks user ID and password.

We will have access to information you enter into QuickBooks Online and JunkConnect. QuickBooks Online and JunkConnect will collect data associated with your jobs and provide reports to both of us so that we may monitor your progress and help you more efficiently manage your Franchised Business. There are no contractual restrictions on our access to this data. Compiled sales data regarding all Franchised Businesses in the System will be made available to other franchisees and may be included in our Franchise Disclosure Document.

We do not require you to obtain a maintenance contract for your computer hardware, although you may find it beneficial to have this contract. We estimate that the cost of a maintenance contract for your computer system will be up to \$1,200 per year, but could be higher.

Your computer hardware and software must be kept up to date based on our specifications. We may require you to purchase other updates and/or upgrades for your computer system or the software you use in the Franchised Business. There is currently no contractual limitation on either the frequency or the cost for you to obtain these updates and/or upgrades. Neither we nor our affiliates will provide you with any maintenance, updates or upgrades for your computer system or any required software. Updates for the JunkConnect software are provided by the software company.

We will have independent access to the information and data you collect at all times, including data provided using JunkConnect and QuickBooks. The information and data we may obtain from your computer will include your revenues, the number of jobs you perform and the products and services provided, customer information and similar data. There are no contractual limits on our access to the information and data. All data will become our property.

The data concerning jobs performed by us, our affiliates and our franchisees will primarily be maintained on the central computer used by the Sales Center; however, we reserve the right to request additional data and records from you. All data collected will become our property, and we reserve the right to share reports and performance information of any franchisee with other franchisees in the System for comparison and development. We do not have direct access to the data on your computer. Any personal information inadvertently obtained from you or your computer system will not be provided to any other franchisee or any third party.

Confidential Operations Manual

Attached to this Disclosure Document as Exhibit F is the Table of Contents of our Operations Manual. The Operations Manual includes approximately 244 pages.

ITEM 12 **TERRITORY**

Franchise Agreement

We will grant you a Designated Territory within which to operate your Franchised Business, which will include the Zones you purchase. The smallest Designated Territory we will grant will include two Zones. We will establish your Designated Territory and each additional Zone you may purchase based on population, as determined by the most recently published data from the U.S. Census Bureau (or any other source we decide to use). We anticipate that each Zone will have a population of approximately 250,000 people. During the term of your Franchised Business, when we refer to your "Designated Territory", it will include all contiguous Zones you purchase. Your Designated Territory, including each Zone, will be listed on Exhibit A to your Franchise Agreement. This is your exclusive designated territory. This exhibit will be updated to reflect any additional Zone you purchase as well as your truck rollout schedule (see below). We (and any affiliates that we periodically might have) will not establish, nor allow another franchise owner to establish, another Franchised Business located within your Designated Territory.

Before we will grant you the right to purchase additional Zones or an additional Designated Territory, you must meet certain qualifications, including: the Zone or Designated Territory you wish to purchase must be available; you must demonstrate the financial ability to operate multiple Zones; you must demonstrate that you have a minimum of three to six months of operating capital for your entire Designated Territory (including the Zone you wish to purchase); your Franchised Business must have been in operation for at least six months before you can purchase an additional Zone and at least 12 months before you can purchase an additional Designated Territory; and you must be in full compliance with your Franchise Agreement and all other agreements relating to the Franchised Business (such as a vehicle lease). If we grant your request to purchase an additional Zone, we reserve the right to terminate your current Franchise Agreement and have you sign our then-current form of Franchise Agreement, which may be modified so that the Franchise Agreement will expire when your original agreement would have expired.

We reserve the right to grant or refuse to grant Zones, in our sole discretion, and we will not reserve a Zone for future purchase. You are not granted a right of first refusal to purchase additional Zones.

As part of the process of renewing your Franchise Agreement, we reserve the right to re-evaluate your then-existing Designated Territory according to certain demographics, including population. Since

your Designated Territory includes a certain minimum population, your Designated Territory under the renewal Franchise Agreement will be modified to accommodate shifts and changes in population. Our intent is to make the target demographics of your renewal Designated Territory similar to the target demographics of your original Designated Territory. A re-evaluation of your Designated Territory may result in your renewal Designated Territory being smaller or larger than your original Designated Territory.

You must use your best efforts to promote and increase the sales and services of the Franchised Business to effect the widest and best possible distribution and sale of products and services and to solicit potential clients and accounts for junk removal services in conjunction with us. Continuation of your territorial exclusivity does depend on your achieving a certain sales volume, market penetration, or other contingency.

You must achieve a minimum level of Gross Revenues annually to retain your territorial rights. Except for your first year of operation, the minimum Gross Revenues you must generate is on a per Zone basis. During your first year of operation, and for up to four Zones combined, you must generate at least \$100,000 in Gross Revenues; in your second year of operation you must generate at least \$50,000 in Gross Revenues for each Zone you own; in your third year of operation you must generate at least \$75,000 in Gross Revenues for each Zone you own; in your fourth year of operation you must generate at least \$100,000 in Gross Revenues for each Zone you own; and in your fifth year of operation you must generate at least \$125,000 in Gross Revenues for each Zone you own. We reserve the right, in our discretion and based on an individual franchisee's circumstances, to modify the minimum Gross Revenues that franchisee must achieve. If we do this, we are not required to grant you a similar modification.

If you fail to achieve the minimum levels of Gross Revenues, we may either take back a Zone (if you have purchased multiple Zones), reduce your Designated Territory size or terminate your Franchise Agreement. These minimums shall not be deemed to be a projection or estimation of how much money or revenues that you might be able to generate from your Designated Territory. These minimums have been established to permit you to maximize the revenues to be generated from your Designated Territory and to provide as much market penetration as possible so as to build brand-equity within the Designated Territory. Since a Franchised Business may be considered seasonal in some areas of the country, you should consider that your Franchised Business may earn less revenue during certain times of the year.

During the term of the Franchise Agreement, we (and any affiliates that we periodically might have) have the right:

(1) to establish and operate, and grant rights to other franchise owners to establish and operate, Franchised Businesses or similar businesses at any locations outside of the Designated Territory and on any terms and conditions we deem appropriate;

(2) to sell any junk removal and related services identical or similar to, or dissimilar from, those your Franchised Business sells, whether identified by the Proprietary Marks or other trademarks or service marks through any distribution channels we think best (including the Internet), located or operating outside of the Designated Territory;

(3) to purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Franchised Business (and/or franchise, license, and/or similar agreements for these businesses), some or all of which might be located within the Designated Territory;

(4) to be acquired (regardless of the form of transaction) by a business identical or similar to Franchised Businesses, except that if we are acquired by a competing business that has one or more outlets located within your Designated Territory, the acquired businesses will not operate in your Designated Territory using the Proprietary Marks; and

(5) to engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

You may relocate your Franchised Business only with our prior written approval. We will use our then-current criteria to evaluate your proposed new location, which must be within your Designated Territory. Our approval will not be unreasonably withheld. If you are operating the Franchised Business from a home office, we reserve the right to require you to lease office space for your Franchised Business when you have achieved a certain level of sales.

You may provide services to clients and prospective clients within your Designated Territory only. You may not engage in any promotional activities or sell any junk removal or related services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system or any interactive electronic document contained in a central computer linked to communications software service providers or any other devices sent or directed to clients or prospective clients; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from clients or prospective clients. While you may place advertisements in printed media and on television and radio that are targeted to clients and prospective clients located in your Designated Territory, and you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective clients located outside your Designated Territory, you may not make any sales or perform services to clients outside of your Designated Territory unless the client is in an area where a 1-800-JUNKPRO Business has not yet been established.

We and our affiliates may sell products under the Proprietary Marks within and outside your Designated Territory through any method of distribution other than a dedicated Franchised Business, including sales through channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing sales (together, “alternative distribution channels”). You may not use alternative distribution channels to make sales outside or inside your Designated Territory except as described in the following paragraph and you will not receive any compensation for our sales through alternative distribution channels except as described in the following paragraph.

You may not directly solicit or service clients located outside of your Designated Territory. If our Sales Center receives a request for services, the request will be forwarded to the proper Franchised Business for handling, which may be the 1-800-JUNKPRO Business that is closest to the client if the client is in an area that has not yet been purchased by a franchisee. If a request is forwarded to you and you are not able to provide services to the client, whether due to time constraints or other factors, we may forward the request to another franchisee or we may perform the services for the client ourselves and you will not receive any portion of the revenues generated from the provision of these services to the client. There are no minimum service requests or customer leads that the Sales Center is required to provide to any Franchised Business. All requests, leads and client data generated through the Sales Center will remain our property.

We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark, but we reserve the right to do so at any time without notice to you.

Service Vehicle Roll-out Schedule

We anticipate that each franchisee will add Service Vehicles to better service the Franchised Business and its clients. We believe that the following will be a typical Service Vehicle Roll-Out schedule:

- 2 to 4 Zones – start with or have a minimum of two service vehicles in your fleet*
- 5 to 6 Zones – start with or have a minimum of three service vehicles in your fleet*
- 7 to 8 Zones – start with or have a minimum of four service vehicles in your fleet*
- 9 to 12 Zones – start with or have a minimum of five service vehicles in your fleet*
- More than 12 Zones – start with or have a minimum of six service vehicles in your fleet*

* If your existing fleet of service vehicles averages three jobs per day over a 14 day period, you must add another service vehicle to your fleet, and we may require you to have one service vehicle for each Zone you own. If your fleet includes one service vehicle per Zone, you may purchase or lease additional service vehicles as you determine is necessary.

You may add Zones to your Designated Territory without adding service vehicles to your fleet only if you are meeting the minimum number of service vehicles in your fleet according to the above schedule. For example, if you currently have a Designated Territory that includes four Zones and you are operating three service vehicles, and you purchase two additional Zones (for six Zones total), you will not need to add another service vehicle to your fleet until each of your service vehicles averages three jobs per day over a 14 day period. If you have a Designated Territory that includes four Zones and you are operating two service vehicles, and you purchase two additional Zones, then you must purchase or lease at least one additional service vehicle to meet the minimum requirement.

National Accounts

We also intend to maintain a National Accounts program (we may also refer to these accounts as “Key Accounts” or “Strategic Accounts”). A National Account is a customer that has multiple properties across multiple Territories and/or states. You may not negotiate any contract terms with a prospective National Account. We will have sole discretion to negotiate terms with the National Account. We anticipate that you will participate in the National Accounts program, which will require you to provide products and services to the National Account according to the agreement we have negotiated with them.

If you choose not to participate in the National Account program, or if you are unable or unwilling to provide products and services to the National Account as requested, we, our affiliate or a third party (which may be another franchisee) may enter your Designated Territory and service the National Account, and you are not entitled to any portion of the revenue in these circumstances. We also reserve the right to terminate your participation in the National Account program if you are not providing products and services according to the terms we have negotiated or if your participation is not otherwise in compliance with our policies.

ITEM 13
TRADEMARKS

We grant to you the right to use certain trademarks, service marks and other commercial symbols in connection with the operation of your franchise. The primary service marks are listed in the chart below (the “Proprietary Marks”). The Proprietary Marks are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”).

Mark	Filing Date	Serial Number	Registration Date	Registration Number
1-800-JUNKPRO	1/7/2011	85/212,627	1/3/2012	4,079,225

The Proprietary Mark is owned by our principals, Mike Davis and Misty Davis. Our principals intend to file all affidavits and to renew their registration for the Proprietary Marks when they become due.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks which may be relevant to their use in this state or in any other state.

There are no agreements currently in effect which limit our right to use or to license others to use the Proprietary Marks, except for the trademark license agreement with our principals dated May 18, 2012.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks in this state or elsewhere.

You must use the names and Proprietary Marks in full compliance with the provisions of the Franchise Agreement and in accordance with our rules. You cannot use any name or Proprietary Mark as a part of any corporate name with any prefix, suffix, or modifying word, term, design, or symbol. In addition, you may not use any name or Proprietary Mark associated with the sale of any unauthorized product or service in any other manner not explicitly authorized in writing by us.

You may not directly or indirectly oppose our right to our trademark(s), trade name(s), trade secrets or business techniques that are a part of our business. You must notify us immediately if you learn about a claim against your use of our trademark(s). We will take whatever action, if any, we deem appropriate, we will also have the right to control any litigation or proceeding regarding the trademark(s). We have no obligation to defend you or to take any legal action against others with respect to any claim related to your use of our trademark(s), but we will indemnify you against any losses or damages incurred by you as a result of a successful claim of infringement brought by a third party and related your use of the Proprietary Marks in accordance with the terms of the Franchise Agreement.

You must conspicuously post a sign and include on all written materials, including advertisements, stationery, business cards, etc. and on your vehicles the following: “Independently owned and operated.”

We reserve the right to modify the Proprietary Marks or substitute different proprietary marks for use in identifying the System and the businesses operating under it, at our sole discretion. If we

designate any modified or substituted proprietary mark, you must implement the modified or substituted proprietary mark at your own expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no patents that are material to the franchise. You do not receive the right to use an item covered by a copyright, but you can use the proprietary and confidential information that is in our Operations Manual. The Operations Manual is described in Item 11 and below. Although we have not filed an application for a copyright registration for the Operations Manual, we claim a copyright and the information in it is proprietary and confidential. You must also promptly tell us when you learn about unauthorized use of this proprietary and confidential information. We are not obligated to take any action, but will respond to this information as we think appropriate.

Confidential Operations Manual

You must operate your Franchised Business according to the strict standards, methods, policies and procedures specified in the Operations Manual. One copy of the Operations Manual is loaned to you by us for the term of the Franchise Agreement after you complete our initial training program to our satisfaction. We may make the Operations Manual available electronically.

You must treat the Operations Manual, any other of our manuals which are used in the operation of your Franchised Business, and the information in them as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise give them to any unauthorized person. The Operations Manual will remain our sole property and must be kept in a secure place at the Franchised Business.

We may revise the contents of the Operations Manual, and you must comply with each new or changed standard. You must make sure that the Operations Manual is kept current at all times. In the event of any dispute as to the contents of the Operations Manual, the terms of the master copy maintained by us at our corporate office will be controlling.

Confidential Information

You must not, during the term of the Franchise Agreement or after the term of the Franchise Agreement, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to you or which you may learn because of your operation under the terms of the Franchise Agreement. Confidential information includes System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of 1-800-JUNKPRO Businesses, proprietary software (if we choose to develop this or have it developed for us), the terms of your Agreement with us, the Operations Manual, graphic designs and other intellectual property, and your client list. You may divulge this confidential information only to those of your employees who have access to and who operate your Franchised Business. Any and all information, knowledge, know-how, techniques and other data which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

At our request, you must have your manager and any personnel having access to any of our confidential information sign agreements that say that they will maintain the confidentiality of information they receive in connection with their employment by you at your Franchised Business. The agreements must be in a form satisfactory to us, including specific identification of us as a third party beneficiary of the covenants with the independent right to enforce them and that they prohibit any direct or indirect ownership in a competing business.

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

Your Franchised Business must be under the direct supervision at all times of one full-time General Manager approved by us. If you are an individual, you will generally be the person who acts as General Manager, but the General Manager can be any person so long as they have been approved and trained by us. If you acquire a Territory that is not contiguous with the Designated Territory you currently service, then we may require you to sign a separate Franchise Agreement for that Territory, in which case it would be treated as a separate franchise requiring its own General Manager. All General Managers must successfully complete our initial training program, work full-time, and be personally approved by us. During the term of the Franchise Agreement, you are prohibited from actively participating in any other business during the required hours of operation of the Franchised Business, unless you have our written approval to do so. There is no requirement that a General Manager own equity in you or the Franchised Business. We may request that you cause your employees to sign a confidentiality agreement, approved or provided by us.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate the Franchised Business and perform all services in accordance with the operating guidelines and quality standards that we establish. You must not change the standards, specifications and procedures without our prior written consent. You may only receive or fill orders from the Sales Center, or orders processed through the Sales Center. You may not receive or fill orders by any other method. You must operate your business during the hours set by us, which may vary from territory to territory.

We have the unlimited right to change the types of authorized goods and services. You may be required to refrain from soliciting business directly from any National Account, as described in Item 12.

The System may periodically be supplemented, improved or modified by us. You must comply with all of our reasonable requirements concerning modifications to the System, including offering and selling new or different products or services as specified by us.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Article in Franchise Agreement	Summary
a. Term of the franchise	Article 4	Five years
b. Renewal or extension of the term	Article 4	Additional renewal terms of five years each, subject to performance of contractual requirements
c. Requirements for franchisee to renew or extend	Article 4	<p>Provide notice, be in compliance with Franchise Agreement, sign new Franchise Agreement, sign release, pay renewal fee</p> <p>You may be asked to sign a contract with materially different terms and conditions than your original contract, but the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees. We have the right to modify your territorial boundaries on renewal</p>
d. Termination by franchisee	Not Applicable	You may seek to terminate your Franchise Agreement on any ground permitted by law
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	Article 17	We may terminate the Franchise Agreement if you are in default under the Agreement and do not cure the default (if it is curable)
g. "Cause" defined – curable defaults	Article 17	Breach of Franchise Agreement and other grounds, such as failure to pay fees when due, misuse of Proprietary Marks, sale of an unapproved service, unsatisfactory performance, filing false reports, failure to meet minimum Gross Revenues requirements

Provision	Article in Franchise Agreement	Summary
h. "Cause" defined – non-curable defaults	Article 17	Breach of Franchise Agreement, such as filing for bankruptcy or assignment for the benefit of creditors; receivership; insolvency; foreclosure; if your business is dissolved; repeated defaults; repeated failures to meet Gross Revenues requirements; unauthorized transfer of the franchise; defaults under property or vehicle leases; illegal or misleading business acts; you, your owners, officer or directors are convicted of a criminal offense
i. Franchisee's obligations on termination/non-renewal	Article 18	Obligations include discontinue using confidential information and materials, return Operations Manual, payment of amounts due
j. Assignment of contract by franchisor	Article 16	No restriction on our right to transfer
k. "Transfer" by franchisee – defined	Article 16	Includes a transfer of all or substantially all of the assets of your business
l. Franchisor approval of transfer by franchisee	Article 16	We have the right to approve transfers in writing
m. Conditions for franchisor approval of transfer	Article 16	Includes payment of money owed, you are not in default, sign release, we approve sales agreement, we have been given a right of first refusal, transferee qualifies and completes training to our satisfaction, transferee signs new agreement and payment of the transfer fee
n. Franchisor's right of first refusal to acquire franchisee's business	Article 16	We can match any offer
o. Franchisor's option to purchase franchisee's business	Article 18	Upon expiration or termination, we can buy all or a portion of the assets of your Franchised Business
p. Death or disability of franchisee	Article 16	Franchise must be assigned to approved buyer within six months

Provision	Article in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Article 15	Includes prohibition on owning or operating business which sells similar services
r. Non-competition covenants after the franchise is terminated or expires	Article 15	Includes prohibition on owning or operating business which sells similar services for two years and located within 50 miles of any unit in the System
s. Modification of the agreement	Article 20	Must be in writing by both parties
t. Integration/merger clause	Article 20.11	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	All disputes are subject to litigation
v. Choice of forum	Article 20	Sedgwick County, Kansas, subject to applicable state law
w. Choice of law	Article 20	Kansas, 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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any

other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mike Davis at 608 South Ramsey Drive, Valley Center, Kansas 67147 and (316) 688-5865, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years ~~2010~~, 2011, 2012, 2013

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	2010 <u>2011</u>	0	0	0
	2011 <u>2012</u>	0	0	0
	2012 <u>2013</u>	0	0	0
Company-Owned*	2010 <u>2011</u>	1	1	0
	2011 <u>2012</u>	1	1	0
	2012 <u>2013</u>	1	1	0
Total Outlets	2010 <u>2011</u>	1	1	0
	2011 <u>2012</u>	1	1	0
	2012 <u>2013</u>	1	1	0

* The Company-Owned Outlets in the chart above include Outlets that are owned and operated by our ~~Affiliate~~affiliate.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years ~~2010~~, 2011, 2012, 2013

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2010 <u>2011</u>	0
	2011 <u>2012</u>	0
	2012 <u>2013</u>	0
Total	2010 <u>2011</u>	0
	2011 <u>2012</u>	0
	2012 <u>2013</u>	0

Table No. 3
Status of Franchised Outlets
For years ~~2010~~, ~~2011~~, 2012, 2013

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina- tions	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
None	2010 <u>201</u> <u>1</u>	0	0	0	0	0	0	0
	2011 <u>201</u> <u>2</u>	0	0	0	0	0	0	0
	2012 <u>201</u> <u>3</u>	0	0	0	0	0	0	0
Total	2010 <u>201</u> <u>1</u>	0	0	0	0	0	0	0
	2011 <u>201</u> <u>2</u>	0	0	0	0	0	0	0
	2012 <u>201</u> <u>3</u>	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned and Affiliate-Owned Outlets
For years ~~2010~~, ~~2011~~, 2012, 2013

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
Kansas	2010 <u>201</u> <u>1</u>	1	0	0	0	0	1
	2011 <u>201</u> <u>2</u>	1	0	0	0	0	1
	2012 <u>201</u> <u>3</u>	1	0	0	0	0	1
Total	2010 <u>201</u> <u>1</u>	1	0	0	0	0	1
	2011 <u>201</u> <u>2</u>	1	0	0	0	0	1
	2012 <u>201</u> <u>3</u>	1	0	0	0	0	1

The outlets in the above chart are owned and operated by our ~~Affiliate~~ affiliate.

Table No. 5
Projected Openings as of December 31, ~~2012~~2014

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
California	0	1	0
Colorado	0	1	0
Kansas	0	1	0
Missouri	0	1	0
Nebraska	0	1	0
Oklahoma	0	1	0
Total	0	6	0

The table represents potential franchisees for the System. It does not take into account whether a franchisee purchases multiple Zones.

A list of the names of all franchisees and the addresses and telephone numbers of their businesses is provided in Exhibit D to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document are listed on Exhibit E 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 fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the 1-800-JUNKPRO System.

There are no trademark-specific organizations formed by our franchisees that are associated with the 1-800-JUNKPRO System.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit G ~~is~~ are our audited financials as of December 31, 2012 and December 31, 2013.

Our fiscal year end is December 31st.

ITEM 22
CONTRACTS

The Franchise Agreement is attached to this Disclosure Document as Exhibit C. The form of General Release is attached to this Disclosure Document as Exhibit I.

ITEM 23
RECEIPTS

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

EXHIBIT A TO THE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS/STATE ADMINISTRATORS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed 1-800-JUNKPRO, LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which 1-800-JUNKPRO, LLC has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

<p><u>CALIFORNIA</u> California Corporations — Commissioner <u>of</u> <u>Business Oversight</u> Department of Corporations <u>Business Oversight</u> 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677</p> <p>1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205</p> <p>1350 Front Street San Diego, CA 92101 (619) 525-4233</p> <p>One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559</p>	<p><u>CONNECTICUT</u> State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230</p> <p>Agent: Banking Commissioner</p>
<p><u>HAWAII</u> (state administrator)</p> <p>Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p> <p>(agent for service of process)</p> <p>Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><u>ILLINOIS</u> Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>

<p><u>INDIANA</u> (state administrator)</p> <p>Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681</p> <p>(agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531</p>	<p><u>MARYLAND</u> (state administrator)</p> <p>Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p> <p>(for service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p>
<p><u>MICHIGAN</u> (state administrator)</p> <p>Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 525 W. Ottawa Street, 6th Floor Lansing, Michigan 48933 (517) 373-7117</p> <p>(for service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P.O. Box 30054 Lansing, Michigan 48909</p>	<p><u>MINNESOTA</u> (state administrator)</p> <p>Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-6328</p> <p>(for service of process) Minnesota Commissioner of Commerce</p>
<p><u>NEW YORK</u> (state administrator)</p> <p>New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway, 23rd Floor New York, New York 10271 (212) 416-8211</p> <p>(for service of process) Secretary of State of New York 41 State Street Albany, New York 12231 (518) 474-4750</p>	<p><u>NORTH DAKOTA</u></p> <p>North Dakota Securities Department State Capitol, Fifth Floor, Dept. 414 600 East Boulevard Avenue Bismarck, North Dakota 58505 (701) 328-4712</p>

<p><u>OREGON</u></p> <p>Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387</p>	<p><u>RHODE ISLAND</u></p> <p>Division of Securities Rhode Island Dept. of Business Regulation Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920 (401) 462-9500</p>
<p><u>SOUTH DAKOTA</u></p> <p>Division of Securities Department of Labor & Regulation 445 East Capitol Avenue Pierre, South Dakota 57501 (605) 773-4823</p>	<p><u>VIRGINIA</u></p> <p>State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p> <p>(for service of process) Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733</p>
<p><u>WASHINGTON</u> (state administrator)</p> <p>Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507-9033 (360) 902-8760</p> <p>(for service of process) Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501</p>	<p><u>WISCONSIN</u> (state administrator)</p> <p>Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703 (608) 266-1064</p> <p>(for service of process) Administrator, Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703</p>

EXHIBIT B TO THE DISCLOSURE DOCUMENT

MULTI- STATE ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.
2. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
3. The Franchise Agreement contains covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
6. The Franchise Agreement requires application of the laws of Kansas. This provision may not be enforceable under California law.
7. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
9. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
10. OUR WEBSITE, ~~www.1-800-junkpro~~ JUNKPRO.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF ~~CORPORATIONS~~ BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF ~~CORPORATIONS~~ BUSINESS OVERSIGHT at ~~www.eorpdbo~~ www.corpdbo.ca.gov.

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1. The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself:

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 (“Act”) states that “any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State.” This Section of the Act replaces any contradictory language contained in the Franchise Agreement.

2. Illinois law governs the Franchise Agreement.

3. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

4. Under Illinois law at 200.608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois. The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state “Illinois law”. The appropriate sections of the Franchise Agreement are amended accordingly.

5. Article 20 of the Franchise Agreement is amended to comply with Section 27, Periods of Limitation, of the Act to allow any and all claims and actions arising out of or relating to the Franchise Agreement, the relationship of Franchisor and Franchisee, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred.

6. Item 17(g) of the Disclosure Document, Article 17 of the Franchise Agreement are amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee’s exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).
4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 20 of the Franchise Agreement.
5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for 1-800-JUNKPRO, LLC's Franchise Disclosure Document and for its Franchise Agreement. The amendments to the Franchise Agreement included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and ~~Area Development Agreement~~ which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

~~5.~~ ~~All~~ 5. Item 5 of the Disclosure Document is amended to state that all initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the franchise agreement.

6. The appropriate sections of the Franchise Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

8. The appropriate sections of the Franchise Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

9. The Franchise Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release,

estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

- (a) A prohibition on the right of a franchisee to join an association of franchises.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee’s inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months’ advance notice of franchisor’s intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) Failure of the proposed transferee to meet the franchisor’s then-current reasonable qualifications or standards.

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

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ___ day of _____, 20___, and effectively amends and revises said Disclosure Document and Franchise Agreement as follows:

1. Item 13 of the Disclosure Document and Article 7 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the Disclosure Document and Article 17 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

3. Item 17 of the Disclosure Document and Article 20 of the Franchise Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

4. Item 17 of the Disclosure Document and Articles 4 and 16 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Section 20.6 of the Franchise Agreement is hereby amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Section 20.6 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of \$30 on a NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. Article 20 of the Franchise Agreement is hereby amended accordingly.

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

3. LITIGATION

Neither the Franchisor, its Predecessor nor any person listed under Item 2 or an affiliate offering franchises under Franchisor's principal trademark:

- (A) has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.
- (B) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise; anti-fraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; unfair or deceptive practices; or comparable allegations.
- (C) is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

4. BANKRUPTCY

Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the ten year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code (or any comparable foreign law); (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership.

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document and Franchise Agreement effectively amends and revises said documents as follows:

- 1. Item 17(c) of the Disclosure Document and Articles 4 and 16 of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document and Article 15 of the Franchise Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document and Article 18 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(v) of the Disclosure Document and the provisions of Article 20 of the Franchise Agreement which require jurisdiction of courts in Kansas are deleted.

5. Item 17(w) of the Disclosure Document and Article 20 of the Franchise Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

6. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

7. The provisions of Article 20 of the Franchise Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

8. The provisions of Article 20 of the Franchise Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

“A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for 1-800-JUNKPRO, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

1-800-JUNKPRO, LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

EXHIBIT C TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

1-800-JUNKPRO, LLC

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

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1-800-JUNKPRO, LLC

FRANCHISE AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of _____, 20__ between 1-800-JUNKPRO, LLC, a Delaware limited liability company with its principal office at 608 South Ramsey Drive, Valley Center, Kansas 67147 (“we”, “us” or “our”), and _____ whose principal address is _____, an individual /partnership /corporation formed or incorporated in the State of _____, who will act under this Agreement under the approved trade name “1-800-JUNKPRO” (“you” or “your”).

WITNESSETH:

WHEREAS, we have developed a format and system (the “System”) that includes a method of providing full service junk removal for residential and commercial clients; distinct color scheme and custom lettered vehicles; materials and supplies; a centralized Sales Center for booking and dispatching jobs; methods, specifications and procedures for operations; procedures for management control; training and assistance; and merchandising, advertising and promotional programs, and client service procedures, all of which may be changed, improved and further developed using our website, trade name, trademarks and service marks, and phone number (collectively, the “Proprietary Marks”);

WHEREAS, you desire to enter into the business of owning and operating a business using the System and according to our requirements (“Franchised Business”) and wish to obtain a franchise from us for that purpose, as well as to receive the training and other assistance provided by us in connection therewith;

WHEREAS, you understand and acknowledge the importance of, and benefits to be derived from, the System, as well as our high standards of quality and service and the necessity of operating the Franchised Business hereunder in conformity with our standards and specifications;

WHEREAS, you desire to obtain a franchise to use the System and the Proprietary Marks at the location described in Exhibit “A” hereto, pursuant to the provisions hereof, and you have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of your own choosing and you represent and warrant that you have the business experience and financial ability to operate a Franchised Business;

WHEREAS, you acknowledge that you have read this Agreement and our Franchise Disclosure Document and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain uniform high standards of quality at all locations and to protect the goodwill of the Proprietary Marks;

WHEREAS, we expressly disclaim the making of any warranty or guarantee, expressed or implied, oral or written, regarding the potential revenues, profits or success of the business venture contemplated by this Agreement;

WHEREAS, you acknowledge that you have no knowledge of, nor have you received nor relied upon, any representations or warranties by us, our officers, directors, shareholders or representatives about the franchise offered hereunder, about us or our franchising programs and policies that are contrary

to the statements in our Franchise Disclosure Document or to the terms of this Agreement, or regarding the potential revenues, profits or success of the business venture contemplated hereunder; and

WHEREAS, you acknowledge that this Agreement places detailed and substantial obligations on you, including strict adherence to our reasonable present and future requirements regarding facilities, equipment, suppliers, operating procedures, management protocols and procedures, merchandising strategies, sales promotion programs and related matters. You acknowledge that future improvements, changes and developments in the System may require additional expense to be undertaken by you.

BEFORE SIGNING THIS AGREEMENT, YOU SHOULD READ IT CAREFULLY WITH ASSISTANCE OF LEGAL COUNSEL.

NOW, THEREFORE, for and in consideration of the mutual undertakings, covenants, premises and commitments contained hereinabove and below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **IT IS AGREED**, as follows:

ARTICLE 1 **DEFINITIONS**

1.1 In addition to any other terms defined in this Agreement, the following definitions shall govern this Agreement:

1.1.1 “Agreement” means this document, including all exhibits hereto, as they may be modified from time to time, and documents referenced and incorporated herein, and any documents or agreements modifying the System.

1.1.2 “Copyrights” means all work rendered in a tangible medium of expression as defined under U.S. Copyright Law, 17 U.S.C. Sec. 101, *et seq.*, that relates to the Franchised Business, whether published or unpublished, whether confidential or not, whether created by us or one (1) or more of our franchisees, assigned hereunder to and owned by us and licensed for use by us as part of the Franchised Business under this Agreement, including without limitation, the Confidential Operations Manual.

1.1.3 “Franchised Business” means the System as licensed to you hereunder to use from within your Designated Territory.

1.1.4 “Know How” means our: (a) trade secrets and know-how, whether existing now or created during the term of this Agreement by us and/or one (1) or more of our franchisees (and assigned back to us), as conveyed to you, that relates to, *inter alia*, our services and/or processes, marketing practices, and business methods, affairs, tools and techniques, as well as including our client or prospective client lists and trade relationships including pricing information, which tends to give us and our network of franchisees a competitive edge over others who provide the same or similar products or services in the field of full service junk removal; (b) inventions that may be protected by the filing of U.S. patent applications under Title 35 of the United States Code and/or foreign statutory counterparts; and (c) all unpublished or otherwise confidential work that has been rendered and “work made for hire” protected under Title 17 of the United States Code and other applicable foreign copyright statutes. Know How need not take the form of any particular tangible medium of expression, but may also be found or contained in the form of records, magnetic media, papers, photographs, catalogs, books, cassettes, videotapes, computer files, or stored or fixed on computer hard or soft disks or diskettes.

1.1.5 “Proprietary Marks” means all the trademarks, service marks, logos, emblems, and indicia of origin licensed to and used or contemplated to be used by us and/or one (1) or more of our franchisees, including, but not limited to, the trade dress, the mark “1-800-JUNKPRO”, and other such trade names, service marks and trademarks as may be designated now or hereafter by us.

1.1.6 “Proprietary Properties” means the Copyrights, Know How, and Proprietary Marks.

1.1.7 “Sales Center” means the call center operated by us or our designee which will receive and distribute requests for Services via a toll-free telephone number and other methods, such as e-mail.

1.1.8 “Services” means the provision of full-service junk removal services for residential and commercial clients. “Full service” junk removal means that we remove junk from anywhere on the customer’s property; the customer does not need to place all unwanted items in one spot for pick up. The “junk” we remove is generally anything that the customer’s municipal waste removal company does not pick up, such as furniture, appliances, construction or remodeling debris, yard waste, moving remnants and bulky items. Services specifically exclude household waste removal and the hauling of any liquids, gases, flammable waste or hazardous waste.

1.1.9 “Service Vehicle” means the truck you are required to obtain by lease or purchase and maintain for use in the operation of the Franchised Business.

1.1.10 “Designated Territory” means the exclusive territory granted to you encompassing contiguous Zones as shown on Exhibit A hereto, as such Exhibit may be amended from time to time. The smallest Designated Territory that will be granted will include two (2) Zones.

1.1.11 “Zone” means a specified area which is purchased by you and within which the Franchised Business will be operated. A standard Zone will contain a population of approximately two hundred fifty thousand (250,000).

ARTICLE 2

GRANT OF FRANCHISE AND LICENSE

2.1 Subject to the provisions of this Agreement and all documents or other agreements ancillary thereto (the “Agreement”):

2.1.1 We hereby grant to you, and you hereby accept, the franchise and license to operate a Franchised Business within the Designated Territory as shown on Exhibit A hereto, as such Exhibit may be modified from time to time, in accordance with our specifications and subject to our approval. The Designated Territory, as described on Exhibit A hereto, may be modified if you purchase additional Zones, or if you fail to meet the minimum required Gross Revenues for your Designated Territory.

2.1.2 You agree to use the Proprietary Properties solely for the Franchised Business and for no other purpose.

ARTICLE 3
YOUR RESTRICTIONS AND OUR RESERVED RIGHTS

3.1 Your Restrictions

Your activities are limited to offering and selling those Services permitted under the System from the Designated Territory. You have been granted no right of ownership in and/or to any part or all of the Proprietary Properties.

3.2 Rights Reserved to Us

We reserve the right: (i) of ownership in, and control over the Proprietary Properties; (ii) to grant additional franchises, whether similar or dissimilar to the franchise granted hereby, anywhere we deem reasonably appropriate, subject to the limitations set forth below; (iii) to engage fully and freely and without limitation in each and every aspect of the business of selling related services, products and equipment; (iv) to offer to the public-at-large, separately, jointly or with others, all related services and/or products of every type and kind; and (iv) to employ and exploit the Proprietary Marks, Copyrights, Know How, and Software in connection therewith.

We (and any affiliates that we periodically might have) reserve the right:

(a) to establish and operate, and grant rights to other franchise owners to establish and operate, Franchised Businesses or similar businesses at any locations outside of the Designated Territory and on any terms and conditions we deem appropriate;

(b) to sell any junk removal and related services identical or similar to, or dissimilar from, those your Franchised Business sells, whether identified by the Proprietary Marks or other trademarks or service marks through any distribution channels we think best (including the Internet) located or operating outside of the Designated Territory;

(c) to purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to the Franchised Business (and/or enter into franchise, license, and/or similar agreements for such businesses), some or all of which might be located within the Designated Territory;

(d) to be acquired (regardless of the form of transaction) by a business identical or similar to “1-800-JUNKPRO”, even if the other business operates, franchises and/or licenses competitive businesses anywhere; provided, however, that if we are acquired by a competing business that has one or more outlets located within your Designated Territory, the acquired businesses will not operate in your Designated Territory using the Proprietary Marks; and

(e) to engage in any other business activities not expressly prohibited by this Agreement, anywhere.

3.3 National Account

We also intend to maintain a National Accounts program (we may also refer to these accounts as “Key Accounts” or “Strategic Accounts”). A National Account is a customer that has multiple properties across multiple Territories and/or states. You may not negotiate any contract terms with a prospective National Account. We will have sole discretion to negotiate terms with the National Account. We

anticipate that you will participate in the National Accounts program, which will require you to provide products and services to the National Account according to the agreement we have negotiated with them.

If you choose not to participate in the National Account program, or if you are unable or unwilling to provide products and services to the National Account as requested, we, our affiliate or a third party (which may be another franchisee) may enter your Designated Territory and service the National Account, and you are not entitled to any portion of the revenue in these circumstances. We also reserve the right to terminate your participation in the National Account program if you are not providing products and services according to the terms we have negotiated or if your participation is not otherwise in compliance with our policies.

ARTICLE 4

TERM AND RENEWAL

4.1 Term

The term of this Agreement shall be five (5) years commencing on the date hereof, unless sooner terminated in accordance with the provisions of this Agreement (the “Initial Term”).

4.2 Renewal Term

If you shall have complied with the conditions for renewal set forth in Section 4.3 below, you shall have the right, but not the obligation, to enter into renewal Franchise Agreement for additional terms of five (5) years (the “Renewal Term”).

4.3 Requirements for Renewal

Your right to enter into the Renewal Term is contingent upon your fulfillment of the following conditions:

4.3.1 Upon your exercise of such right and at the commencement of any Renewal Term, you shall have fully performed all of your obligations under the Agreement.

4.3.2 You, at the commencement of a Renewal Term, shall satisfy: (i) our then-current standards applicable to the System; (ii) the requirements of the then-current Franchise Agreement and all other agreements ancillary thereto, however the fees payable upon renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees; (iii) our training requirements, including your demonstrable ability to perform all services which are part of the System at the time of renewal; (iv) the standards set forth in our then-current Confidential Operations Manual (the “Operations Manual”); and (v) our requests for disclosure of or access to information requested by us to evaluate your ability to perform.

4.3.3 You shall not be in default of any provision of this Agreement or any other agreement with us, our affiliates, subsidiaries, and designees, if any.

4.3.4 You shall have satisfied all monetary obligations to us, our affiliates, subsidiaries, and designees, if any, and shall have materially met such obligations in a timely and responsible manner throughout the Initial Term.

4.3.5 You and we shall have executed a mutual general release of any and all present as well as future claims against the parties and their affiliates, subsidiaries, and designees, if any, and

their respective officers, directors, shareholders, agents, contractors, and employees, in their corporate and individual capacities, arising out of or related to the Agreement.

4.3.6 You shall be in compliance with our then-current qualification and training requirements as set forth in the Operations Manual or elsewhere.

4.3.7 You have paid to us a renewal fee equal to Five Thousand Dollars (\$5,000).

4.3.8 When you provide us with notice that you would like to renew this Agreement, we will re-evaluate your then-current Designated Territory to determine whether there have been any shifts in demographics that would warrant modifying your Designated Territory. Such demographic shifts include, but are not limited to, changes in population and median income. Our intent in doing such re-evaluation of your Designated Territory is to make the target demographics of your Territory upon renewal similar to the target demographics of your original Designated Territory. You understand and acknowledge that although we will use our best efforts to ensure that the demographics included in your renewal Designated Territory are similar to the original Designated Territory, (a) your total Designated Territory size upon renewal may be smaller or larger than your original Designated Territory; (b) we cannot guaranty that your renewal Designated Territory will provide you with the same or similar results as with your original Designated Territory; and (c) we make no guaranty that the demographics included in your renewal Designated Territory will earn you any particular level of success.

4.4 Renewal Franchise Agreement

If you wish to exercise your right to enter into a renewal Franchise Agreement, you shall do so by executing our then-current form of Franchise Agreement, which agreement shall supersede this Agreement.

4.4.1 The terms of any renewal Franchise Agreement may differ from the terms of this Agreement. Such differences may include, without limitation, a change in the percentage royalty fee imposed upon you for any such Renewal Term and/or modified minimum Gross Revenues requirements.

4.4.2 You shall exercise your right to renew for a Renewal Term in the following manner:

(a) Not less than one hundred eighty (180) days, but no more than two hundred forty (240) days prior to the expiration of the Initial Term, you shall, by written notice, inform us of your intention to exercise your renewal right.

(b) Within thirty (30) days after receipt of your request, if you have complied with all conditions precedent to renewal set forth above, we shall deliver to you a copy of our then-current Franchise Disclosure Document (including our then-current Franchise Agreement), and promptly upon the receipt of same you shall, in writing, acknowledge the receipt thereof.

(c) No sooner than fourteen (14) days but no more than twenty (20) days after you receive our then-current Franchise Disclosure Document (including our then-current Franchise Agreement), you shall, by written notice, notify us as to whether or not you elect to execute our then-current form of Franchise Agreement.

(d) Promptly upon receipt of your notice of your election to execute our then-current Franchise Agreement, we shall deliver to you three (3) copies of said Franchise Agreement.

Promptly upon receipt thereof you shall execute three (3) copies of said Franchise Agreement and return the same to us.

(e) If you shall fail to perform any of the acts or fail to deliver any of the notices required pursuant to the provisions of subsections (a), (b), (c) or (d) of this Section 4.4.2, or pursuant to the provisions of Section 4.3, in a timely fashion, such failure shall be deemed an election by you not to renew, and such failure shall cause your renewal right to expire without further notice or action by us.

(f) If you exercise your renewal right in the manner described above, and if on the date the Initial Term expires you have complied with all of the conditions set forth in Section 4.3 hereof, we shall execute the renewal Franchise Agreement previously executed by you and shall, promptly after expiration of the Initial Term, deliver one (1) fully executed copy of the renewal Franchise Agreement to you.

4.5 Notice Requirement

If applicable law requires that we give notice of expiration to you prior to the expiration of the Initial Term, this Agreement shall be deemed to remain in effect on a month-to-month basis until we have given to you that notice of expiration so required and the applicable period required to pass before the notice becomes effective shall have expired.

4.6 Refusal to Renew Franchise Agreement

We can refuse to renew your franchise if your lease, sublease or other document by which you have the right to occupy the premises is not extended before the Renewal Term is to take effect to cover the period of the renewal or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the Renewal Term. We may also refuse to renew your franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure of any defaults incurred during the initial term of this Agreement, if applicable.

ARTICLE 5 **OUR DUTIES**

5.1 Confidential Operations Manual and Intranet

5.1.1 We shall, in conjunction with our training program and in conformity with the terms and conditions of this Agreement, provide to you on loan one (1) copy of our Operations Manual. Use of any part or all of the Operations Manual shall be only as permitted under this Agreement during the Initial Term and any Renewal Term.

5.1.2 At our option, we may post the Operations Manual and other communications on a restricted intranet or other website to which you will have access. If we do so, you must periodically monitor the site for any updates to the Operations Manual or other standards, specifications and procedures. Any passwords or other digital identifications necessary to access the Operations Manual on such a site will be deemed to be part of the Confidential Information. Further, you agree that you will establish the channels of communication with us and with your clients as required by us from time to time, including e-mail, internet and other electronic forms of communication, and that you will acquire and maintain any computer or other components necessary for the transmission of such communications.

5.1.3 We may establish one or more websites to advertise, market and promote Franchised Businesses, the Services they offer and sell, and/or our franchise opportunity. When we establish such a website, we will designate a web page within the website for each Franchised Business. We will implement and periodically modify standards for any such website and individual web pages. You will not establish a website for your Franchised Business, other than the web page(s) designated to describe your Franchised Business which are located within our website.

5.2 Additional Materials

In addition to any other items offered to you, we may from time to time furnish to you other documents and things comprising Copyrights or Know How, including instructions, data, materials, forms or other information developed by us in connection with the operation of the System. We shall have the right to incorporate such matters in our Operations Manual and you shall be required to conduct the operations of the Franchised Business in accordance therewith.

5.3 Initial Training

With respect to new franchisees (and not renewal franchisees), we will provide a mandatory training program (the "Training Program") of approximately five (5) days' duration at our headquarters in Valley Center, Kansas, or at such location(s) as we shall designate. Such training program will include training regarding operational, management and marketing training pertaining to the System. The Training Program will be provided at no additional charge to you and one of your employees only, for a maximum of two (2) people. If you wish to send additional trainees to the Training Program, whether before your Franchised Business opens or while it is operating, you agree to pay our then-current training fee for each additional trainee.

5.3.1 We will pay no compensation for any services performed by any trainee in the course of training. You shall pay all reasonable expenses incurred in connection with and during such training, including, but not limited to, transportation, meals, lodging, wages and other expenses.

5.3.2 We reserve the right to determine the subject matter and content of our Training Program.

5.3.3 We reserve the right to elect or decline to train any number of individuals representing any number of franchises individually, or at the same time.

5.3.4 In the event of a valid and complete assignment of the Franchised Business by you to a third party (as provided for hereafter), we shall train such third party in the same manner and under the same circumstances as those described above, except that the new franchisee must pay to us our then-current training fee for each individual required or designated to be trained (in addition to any fees or other requirements attendant to the assignment).

5.3.5 In the event you hire any personnel to sell or provide Services pursuant to the requirements of this Agreement and the specifications set forth in the Operations Manual, you shall be solely responsible for training said personnel; however, we reserve the right to review such training to ensure that your personnel are trained to our satisfaction. For any manager or replacement manager hired by you during the term of this Agreement, we may require that such manager be sent to our Training Program to be trained directly by us and our personnel. All costs associated with sending the manager to the Training Program, including the costs of the program itself, shall be borne by you. The manager must complete the Training Program to our satisfaction. Before any manager may begin to act in a management role in your Franchised business, the manager must be reviewed and approved by us.

5.3.6 We may waive the training requirements of any personnel if we shall determine, in our sole discretion, that any such personnel has the skill, experience and/or training necessary to operate in accordance with the System.

5.4 Additional Assistance and Training

We shall provide such additional advisory assistance and training as we deem advisable in the operation of the System, on such terms and conditions as we determine and set forth in our Operations Manual or otherwise. We may, in our sole and exclusive discretion, cause our representatives to telephone or visit you from time to time for the purpose of rendering advice and consultation with respect to the operation of the Franchised Business, assessing your overall performance and determining whether you are conducting the Franchised Business in compliance with the standards of the System. You shall comply with all such requests and visitations, and provide all information requested.

If you request additional training or assistance on-site at your Franchised Business, you shall reimburse us for our costs in providing such training, including payment of our then-current per diem fee for each representative we send to you and each representative's travel, lodging and meals expenses.

5.5 Additional and Refresher Training

During your operation of the Franchised Business, you must attend a refresher training program at least once each year, and we may offer and/or require you to attend and complete additional training programs. We may designate that attendance at any of these programs is mandatory unless the absence is excused by us. You must pay the out-of-pocket expenses for each person from your Franchised Business attending a refresher or additional training program.

5.6 Annual Convention

We reserve the right to periodically hold a regional and/or national convention of our franchisees to introduce new products or services, discuss changes, provide training and to respond to franchisee inquiries. We may designate that attendance at a convention is mandatory, unless the absence is excused by us. We will not charge a fee to attend the convention, but you must pay all expenses you and any other attendees from your Franchised Business incur while attending, including travel, lodging, meals and applicable wages. We reserve the right to designate the venue for the franchisee convention, such as a hotel or conference center, but we will not designate an unreasonably expensive location. We anticipate that such convention shall be held on an annual basis.

5.7 Approved Suppliers

We shall, at all times during the term of this Agreement, provide information pertaining to sources of supply of any products or materials which may be used in the System.

5.8 Computer Hardware

We shall specify the particular computer hardware, software and peripheral equipment which you must purchase or lease.

5.9 Pricing

We shall advise you, from time to time, concerning the maximum prices which you should charge the clients you provide Services to under the System, to the extent permitted by applicable law. The maximum prices provided by us may be different from those pricing guidelines provided to other

franchisees in the System. Any such advice, if given at all, will be binding on you, since the purpose of providing such advice is to enhance inter-brand competition and would provide certain economic benefits to your clients. We will provide you with written notice of all changes to suggested prices (including any temporary promotional changes) and such changes shall be effective upon receipt, unless otherwise stated in the notice. Nothing contained herein shall be deemed a representation by us that if you follow such advice you will, in fact, generate or optimize profits. You are obligated to inform us of all prices charged for services and products sold by you and to inform us of any modifications of your prices.

5.10 Brand Development Fund

We shall administer the Brand Development Fund as is more fully described in Section 11.2 hereof.

5.11 Force Majeure

Delays in the performance by us or our designee of any obligations hereunder which are not our fault or within our reasonable control including, without limitation, fire, flood, natural disasters, acts of God, governmental acts or orders, or civil disorders, shall not give rise to a default by us hereunder. Rather, you shall be required to extend the time of performance of any such obligations for the period of such delay or for such other reasonable period of time as may be appropriate in the circumstances.

5.12 Intranet

We may produce and distribute communications to our franchisees via our intranet system and, if an intranet system is developed, all franchisees must subscribe to this intranet service. To access our intranet, you will be provided with a password. This password is to be considered confidential information and is to be revealed only to those of your employees who must have access to the intranet. In the event you lose the password or the password is otherwise compromised, you shall notify Franchisor of such event as soon as practicable, and we will take steps necessary to provide you with a new password for access to the intranet.

5.13 Sales Center

We or our designee will own, operate and maintain a national Sales Center, which will operate for the benefit of all franchisees in the System and which you must use. The Sales Center will derive the majority of your appointments from advertising and networking. The Sales Center will use its best efforts to maintain a staff sufficient to generate and drive business to our franchisees. You shall be required to execute a Sales Center Use Agreement in the form attached hereto as Exhibit "F" and pay applicable Sales Center Cooperative Fees. We reserve the right to discontinue operation of the Sales Center and, in such event, the Sales Center Cooperative Fee shall no longer apply.

5.13.1 All business generated by you within your Designated Territory and all inquiries made of you from potential clients must be recorded with the Sales Center not later than the end of the royalty reporting period in which such business was generated or inquiry was made. In addition, you shall provide such information to the Sales Center not later than the end of such reporting period for scheduling, tracking and follow-up with the client, including client inquiries received via our "800" number and/or website as well as inquiries and requests for Service you receive directly.

5.13.2 You acknowledge and agree that the Sales Center is intended to provide a uniform process for placement of orders for Services and handling of clients throughout the System, and to maintain a complete client database which provides management reports to franchisees. We undertake

no obligation to ensure that any particular franchisee (including you) benefits on a pro-rata basis from the Sales Center.

5.13.3 If our Sales Center receives a request for services, the request will be forwarded to the proper Franchised Business for handling, which may be the 1-800-JUNKPRO Business that is closest to the client if the client is in an area that has not yet been purchased by a franchisee. If a request is forwarded to you and you are not able to provide services to the client, whether due to time constraints or other factors, we may forward the request to another franchisee or we may perform the services for the client ourselves and you will not receive any portion of the revenues generated from the provision of these services to the client. There are no minimum service requests or customer leads that the Sales Center is required to provide to any Franchised Business.

5.13.4 You shall be prohibited from directly soliciting or serving clients outside of your Designated Territory. If the Sales Center receives a request for Services from a client within an unassigned Zone, but said Zone is within a radius of fifteen (15) miles from your Designated Territory, then we may require you to provide the Services to said client and to pay the fee referenced in Section 8.5. If the client is outside the fifteen (15) mile radius of your Designated Territory, you shall have the option whether or not to provide Services to said client.

5.14 Approved Products and Suppliers

We will publish and distribute from time to time in writing, including by e-mail and updates to the Operations Manual, a list of approved and recommended suppliers for forms, signs, cards, stationery and other items necessary to operate the Franchised Business. The approved or recommended suppliers may include us, an affiliate of ours or an independent supplier. If we designate a specific approved product and/or supplier, then you may not deviate from our requirements. Alternatively, if we provide you with specifications for a product, it will be your responsibility to locate a supplier that can meet our specifications. You may purchase supplies either from a source of supply approved or recommended by us, or from any other supplier which can first demonstrate to our satisfaction that its products or services meet the specifications established from time to time by us.

5.15 Artwork and Templates

We will provide you initially and periodically throughout the term of this Agreement with electronic artwork and templates for various documents you will use in the operation of the Franchised Business and for advertising purposes. We reserve the right to require you to reimburse our expenses to provide the artwork and templates to you.

5.16 Sales Center Cooperative Fund

We shall administer the Sales Center Cooperative Fund (the "Sales Center Fund") as follows:

5.16.1 We shall segregate all contributions made by franchisees to the Sales Center Fund into a separate account. All monies in the Sales Center Fund shall be used for administrative costs related to the Sales Center (including but not limited to staffing and equipment purchases) and maintenance fees for our intranet system, if we elect to develop one. We shall have sole and absolute discretion over the use of the monies in the Sales Center Fund as well as all aspects of operating the Sales Center. The Sales Center Fund shall not be used to defray any of our general operating costs, except that we may allocate a portion of salaries for Sales Center staff to the Sales Center Fund, as well as other costs we may incur related to the administration of the Sales Center Fund.

5.16.2 We shall provide you each year with an unaudited financial statement showing the use of monies in the Sales Center Fund and the balance of the Sales Center Fund at year end.

5.16.3 In the event the balance at year end in the Sales Center Fund is in excess of expenditures, we reserve the right, in our sole discretion, to retain the monies in the Sales Center Fund for the next year or to allocate some of the excess monies to the Brand Development Fund.

5.16.4 Except as may be otherwise provided in this Agreement, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Sales Center or the Sales Center Fund. You are not a third party beneficiary and shall have no right to enforce any contributions from other franchisees or the administration of the Sales Center Fund. Any of our obligations with respect to the Sales Center Fund shall be contractual in nature, and you shall have no proprietary right in the Sales Center Fund, which shall not constitute a trust fund.

ARTICLE 6

CONFIDENTIAL OPERATIONS MANUAL

6.1 Conduct of Franchised Business

In order to protect the reputation and goodwill of us, the System, and Proprietary Properties, and to maintain requisite operating standards under the Proprietary Marks, you shall conduct your Franchised Business in strict accordance with the provisions, standards, and procedures set forth in this Agreement and in the Operations Manual.

6.2 Confidential Information

You shall at all times treat the Operations Manual, any other Operations Manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein as confidential Know How, and shall use all efforts to maintain such information as secret and confidential in accordance with the terms and conditions governing Know How and Copyrights, including, without limitation, the following: you shall not, at any time, without our prior written consent, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person. The persons who are authorized shall include your management personnel who have executed the Confidentiality and Non-Competition Agreement, annexed hereto as Exhibit D.

6.3 Our Sole Property

The Operations Manual shall at all times remain our sole property, and shall be returned to us immediately upon expiration or termination of this Agreement.

6.4 Revisions

We may, from time to time, revise the contents of the Operations Manual when we reasonably consider such revisions to be necessary to improve or maintain the standards of the System and you expressly agree to comply with each new or changed standard, provided, however, that such revisions are made for all franchisees and are reasonable in nature. Any revisions to the contents of the Operations Manual shall be deemed effective seven (7) days after the date of mailing or providing same electronically of such revisions to you, unless otherwise specified by us.

You acknowledge the contents of the Operations Manual and any revisions or modifications made thereto shall constitute additional provisions of and modifications to this Agreement as if fully set forth herein.

6.5 Your Responsibility to Keep Current

You shall at all times ensure that your copy of the Operations Manual, if such Operations Manual is provided to you in hard copy format, is kept current and up to date, and in the event of any dispute as to the contents of the Operations Manual, the terms of the master copy of the Operations Manual maintained by us at our home office shall be controlling.

6.6 Modification of Standards

We and you acknowledge there may be circumstances that require you to modify the implementation of the standards and guidelines set forth in the Operations Manual. We and you recognize the Operations Manual is an operational guideline for conducting your business operations and, although you shall use your best efforts to faithfully follow the standards and guidelines set forth in the Operations Manual, we shall be permitted to modify the operational standards and guidelines so that your business is best served.

6.7 Improvements

To the extent that any improvements, inventions or discoveries are made by you, or your employees or agents, during the course of this Agreement and relating to the Proprietary Properties or System (“improvements”), such improvements shall be deemed assigned to and owned by us for the purpose of improving the entirety of the franchised network and the provision of Services in accordance with the System. All documents and other information concerning any such improvements shall be disclosed to us promptly after creation or invention. We shall, in our sole discretion, decide whether such improvements are worthy of inclusion in the System and the best and most practical method of implementation and protection. You shall execute all documents reasonably necessary to perfect our ownership in and to any such improvements and shall cooperate with us in the creation, implementation, use and protection thereof.

ARTICLE 7

PROPRIETARY MARKS, TRADE NAMES AND COPYRIGHTED MATERIALS

7.1 License

The license granted in Section 2.1 hereof does not grant you any right, title or interest, at law or in equity, in or to any of the Proprietary Properties, including the Proprietary Marks, Copyrights, and Know How, except as provided by said license. Further, such license applies only to those portions of the Proprietary Properties which have been, or may be, designated in writing by us for use by you in conjunction with the operation of the Franchised Business. You shall not represent to others, or conduct yourself in any manner that might indicate to others, that you possess any other legal or equitable rights in or to the Proprietary Properties by virtue of the license granted hereunder. Your execution of this Agreement shall further set forth your consent that the Proprietary Marks, Copyrights and Know How are valid and enforceable (without defense or recourse). You represent and warrant that you will not attack the validity or enforceability of any of the Proprietary Properties, or assist another in any such attack, during the course of this Agreement or thereafter. The terms of this Section shall survive termination or expiration of this Agreement for any reason, in addition to any of the other remedies or survival provisions otherwise contained herein.

7.2 Quality Standards

You agree that the nature and quality of: all Services rendered by you in connection with the Proprietary Marks; all goods sold by you under the Proprietary Marks; and all related advertising, promotional and other related use of the Proprietary Marks by you shall conform to standards set by us and be under our control.

7.3 Quality Maintenance

You agree to cooperate with us in facilitating our control of the nature and quality of the Proprietary Marks, to permit reasonable inspection of your operation, and to supply us with specimens of all uses of the Proprietary Marks upon request. You shall comply with all applicable laws and regulations and obtain all appropriate government approvals pertaining to the sale, distribution and advertising of services and goods which may be covered by this Agreement.

7.4 No Act in Derogation

You shall not do or permit any act in derogation of any of our rights to the Proprietary Properties.

7.5 No Dispute

You shall not contest or dispute our title to any part or all of the Proprietary Properties.

7.6 Use of Proprietary Properties

You shall use the Proprietary Properties solely in accordance with this Agreement and the Operations Manual. You agree to use the Proprietary Marks only in the form and manner and with appropriate legends as prescribed from time to time by us, and not to use any other service marks or trademark in combination with any of the Proprietary Marks without our prior written approval.

7.7 Identification of You

You shall not use the Proprietary Properties, or any words, phrases, symbols, trade dress, colors, logos or materials which we deem confusingly similar thereto, in your trade name or as a part of any corporate name with any prefix, suffix, or modifying word, term, design, or symbol (or for any other purpose) without our prior written approval. In that connection, you shall identify yourself to the public as doing business as “1-800-JUNKPRO” as designated in the opening paragraph of this Agreement.

During the term of this Agreement and any renewal or extension hereof, you shall identify yourself as the independent owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as we may designate in writing.

7.8 Discontinuance of Use

In addition to all post-termination provisions contained in this Agreement, you agree that after the expiration or termination of this Agreement, you shall discontinue the use of the telephone number(s) of the Franchised Business and shall not advertise in any telephone directory under the name “1-800-JUNKPRO” or any other name, phrase or logo used by the System, discontinue use of any or all of the Proprietary Properties, and not use any words, phrases, logos, designs, colors, trade dress or the like that in any manner may cause client confusion, or resemble, be confusingly similar to, or be a colorable imitation of the Proprietary Properties. Additionally, upon our demand, you shall direct your local

telephone company to transfer such telephone number(s) to us or our designee by utilization of the Telephone Listing Agreement form to be executed by you, the form of which is annexed hereto as Exhibit "E". If you fail promptly to direct your telephone company to effect such transfer, you hereby irrevocably appoint us as your attorney-in-fact to so act. In addition, you shall direct your internet service provider to transfer to us or our designee all internet websites and listings by utilization of the Internet Websites and Listings Agreement form to be executed by you, the form of which is also annexed hereto as Exhibit "E".

7.9 Our Right to Defend

If you receive notice of or learn of any actual or potential claim, suit or demand that has been or may be asserted against you or us involving any alleged infringement, unfair competition, or similar matter relating to the use of the Proprietary Properties, you shall promptly notify us of any such actual or potential claim, suit or demand. Thereupon, we shall promptly take such action as we may deem necessary in our sole discretion to address any such claim. We shall have the sole right to defend, compromise or settle any such claim, using attorneys of our own choosing, and you agree to cooperate fully with us in connection with the defense of any such claim. We shall protect, defend and indemnify you in connection with such claim unless the claim, suit or demand arises out of or relates to your use of the Proprietary Properties in violation of this Agreement, the Operations Manual or otherwise.

7.10 Notification of Infringement

If you learn of any unauthorized use of the Proprietary Properties, you shall promptly notify us of the facts relating to such alleged infringing use. We shall, in our discretion, determine whether or not to take any action with respect to such information. You shall have no right to take any action with respect to any unauthorized use of the Proprietary Properties without our prior written consent.

You agree to notify us of any unauthorized use of the Proprietary Marks by others promptly as it comes to your attention. We shall have the sole right and discretion to bring infringement or unfair competition proceedings involving the Proprietary Marks.

7.11 Limited License

You understand and agree that the limited license to use the Proprietary Properties granted hereby applies only to such properties as are designated by us, together with those which may hereafter be designated by us in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Proprietary Properties by virtue of the limited license granted hereunder, or by virtue of your use or creation of any of the Proprietary Properties, or upon any other basis.

If it becomes advisable at any time, in our discretion, to modify or discontinue use of any aspect of the Proprietary Properties and/or to adopt or use one or more additional or substitute items, then you shall be obligated to comply with any such instruction by us. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any such addition, modification, substitution or discontinuation, and you covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

ARTICLE 8
INITIAL AND CONTINUING FEES

In the State of California, we will defer the payment of the initial franchise fee, development fee and any other initial payment until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

In the State of Illinois, all fees are deferred until all initial obligations owed the Franchisee by the Franchisor or affiliates have been completed and the Franchisee has commenced doing business/opened for business. However, you must execute the Franchise Agreement prior to looking for a site or beginning training. This deferral has been imposed by the Illinois Attorney General's Office based on the Franchisor's financial condition.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

In the State of Washington, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

8.1 Initial Franchise Fee

The initial franchise fee payable hereunder is determined based on the number of Zones you are purchasing. You acknowledge and understand that the minimum Designated Territory we will grant includes two (2) Zones. The initial franchise fee payable for the first Zone shall be Twenty-Five Thousand Dollars (\$25,000), and the initial franchise fee for each additional Zones you purchase shall be Fifteen Thousand Dollars (\$15,000). Therefore, the minimum initial franchise fee payable hereunder shall be Forty Thousand Dollars (\$40,000). The initial franchise fee is fully earned upon receipt and is not refundable under any circumstances.

~~_____ **Vet-Fran Incentive:** If you are a qualified United States veteran and you purchase a 1-800 JUNKPRO franchise, we will reduce your initial franchise fee by 20%.~~

~~_____ Additionally, as a special thank you to the men and women who have served our country, we will be offering a special veterans incentive called the "THANKS A MILLION PROGRAM". We will be giving the first 40 honorably discharged veterans who purchase a 1-800 JUNKPRO franchise a discount of \$25,000 off the initial franchise fee.~~

In the event you wish to purchase additional Zones or another Designated Territory during the term of this Agreement, you must meet our then-current qualifications, including: the Zone or Designated Territory you wish to purchase must be available; you must demonstrate the financial ability to operate multiple Zones; you must demonstrate that you have a minimum of three (3) to six (6) months of operating capital for your entire Designated Territory (including the Zone you wish to purchase); your Franchised Business must have been in operation for at least six (6) months before you can purchase an additional Zone and at least twelve (12) months before you can purchase an additional Designated Territory; and you must be in full compliance with this Agreement and all other agreements relating to

the Franchised Business (such as a vehicle lease). If we grant your request to purchase an additional Zone, we reserve the right to terminate this Agreement and have you sign our then-current form of Franchise Agreement, which may be modified so that the Franchise Agreement will expire when this Agreement would have expired. The reduced initial franchise fee for an additional Zone is payable when you sign a revised Exhibit A to this Agreement showing the additional Zone and is not refundable.

If this Agreement is for your first (1st) Franchised Business and you are a qualified United States veteran, the minimum Initial Franchise Fee of Forty Thousand Dollars (\$40,000) shall be discounted by twenty percent (20%). The qualified United States veteran must own at least fifty percent (50%) of the franchise granted herein.

If you are one of the first forty (40) honorably discharged veterans who purchase a Franchised Business, a discount of Twenty-Five Thousand Dollars (\$25,000) shall be deducted from the initial franchise fee under the "THANKS A MILLION PROGRAM".

There shall be no VetFran discount if you are signing this Agreement in connection with purchasing an existing franchised business, renewing your franchise rights or if you are not purchasing your first franchise. If you qualify for both discounts, the greater discount shall be applied and discounts cannot be combined.

We reserve the right to deny the sale of an additional Zone to you. We do not guarantee the success of any Zone, and we will not reserve a Zone for future purchase.

All of your Zones which together will comprise the Territory shall be listed on Exhibit A hereto, which Exhibit shall be amended from time to time in the event you purchase additional Zones.

8.2 Initial Marketing Fee

In addition to the initial franchise fee described above, you shall, upon execution of this Agreement, pay to us an initial marketing fee equal to Six Thousand Dollars (\$6,000) for each Zone you purchase. We will use this fee to conduct promotional advertising for your Franchised Business before the Franchised Business opens and during its first six (6) months of operation. This money will be spent within your Territory. The timing, type and amount of marketing purchased with the Initial Marketing Fee will be in our discretion.

8.3 Royalty Fee

In addition to the Initial Franchise Fee, you shall pay us a weekly Royalty Fee equal to eight percent (8%) of the Gross Revenues generated, billed but not collected, earned, derived and/or received by the Franchised Business ("Royalty Fee") for the prior week's operations. The Royalty Fee is payable on Wednesday of each week, or the next business day if either such day is not a business day.

As used in this Agreement, the term "Gross Revenues" includes all revenue generated by your Franchised Business less applicable sales taxes and customer refunds and adjustments.

8.4 Brand Development Fee

In addition to the Initial Franchise Fee and Royalty Fee, you shall pay to us a Brand Development Fee (to be expended as provided in Section 11.2) in an amount equal to one percent (1%) of your Gross Revenues. The Brand Development Fee is payable at the same time and in the same manner as the Royalty Fee.

8.5 Sales Center Cooperative Fee

You shall be required to pay to us a fee for use of the Sales Center equal to seven percent (7%) of Gross Revenues each week (“Sales Center Cooperative Fee”). The Sales Center Cooperative Fee is payable at the same time and in the same manner as the Royalty Fee.

8.6 Gross Revenues Report

You shall provide to us, not later than Monday of each week, a report detailing the Gross Revenues generated by your Franchised Business during the previous week ending Sunday. If you do not report Gross Revenues to us each Monday, then we have the right to deduct an amount equal to one hundred twenty percent (120%) of the Royalty Fee, Sales Center Cooperative Fee and Brand Development Fee we last deducted from your account. If the fees you owe to us are greater than the amount we have deducted, once we are able to determine your true and correct Gross Revenues for the previous week ending Sunday, we will deduct the difference from your account on a day that we specify. If the fees you owe to us are less than the amount we have deducted, any overage will be applied toward your next payment due.

8.7 Commencement of the Business

Your obligations to pay the Royalty Fee, the Sales Center Cooperative Fee and the Brand Development Fee accrues on the day that you commence operation of the Franchised Business. “Commencement of the Business” is defined as the first day on which the Franchised Business receives revenues, offers services, or conducts any of the activities contemplated by this Agreement.

8.8 Right of Set Off

You agree to pay promptly, when due, all taxes and assessments that may be assessed or otherwise due against your income, premises, equipment and/or supplies used in connection with your business, to discharge all liens and encumbrances of every kind and character created or placed upon or against any of said property and to pay all accounts and other indebtedness of every kind incurred by you in the conduct of said business. In the event you should default in making any such payment, we shall be authorized, but not required, to pay the same on your behalf, and you covenant promptly to reimburse us for any such payment. We shall also maintain the right of set off to permit deductions of any such amounts from payments that may be due you hereunder. Any such amounts advanced by us shall be due and payable immediately on your receipt of written demand from us.

8.9 Default

Any default by you in the timely payment of any indebtedness of yours owing to us, or to any affiliate of ours, or your default in the payment of any indebtedness of yours with respect to which we or any of our affiliates are a guarantor, co-signer, endorser or obligor, shall constitute a breach of this Agreement, rendering the same subject to termination in accordance with the provisions of Article 17 hereof.

8.10 Application of Funds

You waive any and all existing and future claims and set offs against any amounts due us hereunder, which amounts shall be paid when due regardless of any other claims which you may have against us. However, we shall be entitled to apply or cause to be applied against amounts due to us any amounts which may from time to time be held by us on your behalf or be owed to you by us. Notwithstanding any designation by you, we shall use sound business judgment and be reasonable in

applying any payments received from you, whether designated as payable to us, the Sales Center Fund, the Brand Development Fund or otherwise, to any past due or other indebtedness of yours for continuing fees payable hereunder, purchases, interest or otherwise. We may set off from any amounts that may be owed to you any amount that you owe to us or with respect to any payment. In particular, we may retain any amounts we have received for your account (whether rebates or other funds and whether paid by or due from suppliers or otherwise) as a credit and payment against any amounts that you owe or will owe to us or with respect to any Sales Center Cooperative Fee or Brand Development Fee. We may do so without notice at any time. However, you do not have the right to offset or withhold payments owed to us for amounts purportedly due you from us. We may condition your participation in any program (including, but not limited to, any program involving payments from third party suppliers or otherwise) as we determine in our reasonable discretion, including, but not limited to, your being a franchisee in good standing and not in default under this or any other agreement with us. You agree that you will not withhold any amounts otherwise due us as a result of any dispute of any nature, but will pay such amounts to us and only thereafter seek reimbursement.

8.11 Interest on Late Payments

All Royalty Fees, Brand Development Fees, Sales Center Cooperative Fees, lease payments, amounts due for purchases by you from us, and other amounts which you owe to us shall bear interest after the due date at the rate of eighteen percent (18%) per annum, and interest shall accrue from the original due date until payment is received in full. You acknowledge that this Section 8.11 shall not constitute our agreement to accept such payments after same are due or a commitment by us to extend credit to or otherwise finance your Franchised Business. Further, you acknowledge that your failure to pay all amounts when due shall constitute grounds for termination of this Agreement.

8.12 Application of Payments

Notwithstanding any designation by you, we shall have sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, Brand Development Fees, Sales Center Cooperative Fees, purchases from us or our affiliates, interest or any other indebtedness.

8.13 Method of Payment - Electronic Funds Transfer

In addition to the Gross Revenues report described above, you shall deliver to us any and all reports, statements and/or other information required under Article 12 below at the time and in the format reasonably requested by us. You shall establish an arrangement for electronic funds transfer or deposit of any payments required under this Section. You shall execute our current form of "Authorization Agreement for Prearranged Payments (Direct Debits)," a copy of which is attached to this Agreement as Exhibit I, together with any other forms required by our or your bank, and you shall comply with the payment and reporting procedures specified by us in the Operations Manual. You expressly acknowledge and agree that your obligations for the full and timely payment of Royalty Fees, Brand Development Fees and Sales Center Cooperative Fees (and all other amounts provided for in this Agreement) shall be absolute, unconditional, fully earned, and due upon your generation and receipt of Gross Revenues. You shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims you may allege against us, the Brand Development Fund, the Sales Center Fund, any advertising cooperative or others. You shall not, on grounds of any alleged non-performance by us or others, withhold payment of any fee, including without limitation Royalty Fees, Brand Development Fees or Sales Center Cooperative Fees, nor withhold or delay submission of any reports due hereunder, including but not limited to sales reports.

ARTICLE 9
YOUR OBLIGATIONS

9.1 Your Obligations

Each component of the System is vital to us, to the network of other franchisees of the System and to the operation of the Franchised Business, as well as to the members of the purchasing public who have come to rely upon us and our network for reliability and promptness. Compliance with each such component is of the essence to this Agreement. Hence, you undertake to conduct the Franchised Business at all times in full compliance with the System and each of its components. It is expressly understood and agreed that such services include, but are not limited to, providing full-service junk removal services to your clients and such other related services as may be authorized by us to be offered from time to time. We may, from time to time, conduct market research and testing to determine consumer trends and salability of new products and services. You must cooperate by participating in our market research programs, test marketing new products and related services and providing timely reports and other relevant information regarding marketing research. In connection with such test marketing, you must execute any agreement required by us related to such test marketing, purchase a reasonable quantity of products to be tested and effectively promote and make a reasonable effort to sell such products and related services.

9.1.1 You shall operate the Franchised Business in an efficient and professional manner in accordance with the highest ethical and moral standards. You shall, as well, comply with all recommendations and standards of quality and service prescribed from time to time by us in the Operations Manual or otherwise. You may not discriminate against anyone to whom the Franchised Business provides Services and may not refuse any request for Services from within the Territory unless the Services request will compromise the safety of you, your employees and/or the client.

9.1.2 You shall obtain an office space from which to operate the Franchised Business, including adequate parking space for your Service Vehicles and your employees' vehicles.

9.2 Approved Location; Development of Business

Within forty-five (45) days after you execute this Agreement, you must locate space at which you will establish your Franchised Business, and which must have sufficient parking for your service vehicles and your employees' vehicles. You must provide us with all information we require so we can evaluate the space you have selected, including if you wish to operate your Franchised Business from a home office. We will notify you within thirty (30) days after we receive all information we need to evaluate the proposed site whether the site is accepted by us or not. Our acceptance will not be unreasonably withheld. When we notify you that the space you have selected has been approved, it will be included on Exhibit A hereto as the "Approved Location." You may relocate your Franchised Business only with our prior written approval, which will not be unreasonably withheld. If we do not accept your proposed home office, you must locate space to lease that meets our requirements. This approval should not be construed as an assurance or guaranty that the new site will be successful. You understand and acknowledge that you may operate from a home office only if (a) you are permitted to do so pursuant to your local ordinances; (b) you own and operate not more than two (2) Zones; and (c) your home office meets our minimum requirements for a Franchised Business.

After execution of this Agreement and payment of the Initial Franchise Fee, you must equip the Franchised Business, complete the Training Program (as required by Section 5.3 of this Agreement), and commence operation of the Franchised Business no later than ninety (90) days after the date we approve

the location for your Franchised Business or one hundred twenty (120) days after this Agreement is executed, whichever occurs first.

Your Franchised Business must be opened for business not later than ninety (90) days after we approve the location for your Franchised Business or one hundred twenty (120) days after you execute this Agreement, whichever occurs first. You may not open your Franchised Business for business until: (1) we determine that your Franchised Business has been equipped and stocked with materials and supplies in accordance with our requirements; (2) the initial training program we provided has been completed to our satisfaction by the initial trainees; (3) the initial franchise fee and all other amounts due to us have been paid; (4) you have furnished us with all certificates of insurance required by this Agreement; (5) you have obtained all required governmental permits, licenses and authorizations necessary for the operation of your Franchised Business; and (6) you are in full compliance with all the terms of this Agreement.

If you are unable to either locate a site for your Franchised Business or open the Franchised Business within our required timeframes, we have the right to terminate your Franchise Agreement unless we provide you with an extension of time. You shall be excused from the timely performance of your obligations under this Section if the cause of delay is beyond your reasonable control. Such cause would include, by way of illustration, strikes, fires and acts of God or other causes which you could not, by the exercise of due diligence, have reasonably avoided; provided, however, that any such cause shall not relieve you of your requirement to pay fees to us as described herein.

9.3 Compliance with Laws and Good Business Practices

You shall secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of your Franchised Business. You shall operate your Franchise in full compliance with all applicable laws, ordinances and regulations, including without limitation all government regulations relating to environmental protection, occupational hazards and health, worker's compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales taxes. You shall, in all dealings with your clients, suppliers, us and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Proprietary Marks and other Franchised Businesses. You and your employees shall be required to wear any uniforms that we determine, in the best interests of the System, to have all of our franchisees and their employees wear.

Without limiting the generality of this Section 9.3, you certify that neither you nor your owners, employees or anyone associated with you is listed in the Annex to Executive Order 13224. (The Annex is available at <http://www.treasury.gov/offices/enforcement/ofac/sdn>.) You agree not to hire or have any dealings with a person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, your owners, employees, or anyone associated with you being listed in the Annex to Executive Order 13224. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, you certify, represent, and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your owners are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by you to comply with all such Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities as provided in Article 13 of this Agreement pertain to your obligations under this Article 9. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your owners, or employees shall constitute

grounds for immediate termination of this Agreement and any other agreement you have entered into with us or one of our affiliates in accordance with the terms of this Agreement. As used herein, “Anti-Terrorism Laws” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

9.4 Management Responsibility

Your Franchised Business shall be under the direct supervision at all times of one full-time General Manager approved by us. If you are an individual, you will generally be the person who acts as General Manager, but the General Manager can be any person so long as they have been approved and trained by us.

9.5 Service Vehicle

You shall be obligated to purchase or lease the Service Vehicle required by us to be used in the operation of the Franchised Business, the specifications for which are set forth in the Operations Manual and are subject to change from time to time. If you wish to purchase a used Service Vehicle, such Service Vehicle shall be approved by us prior to its purchase.

9.5.1 Use of Service Vehicle. You and your employees, agents and independent contractors shall travel to your clients’ and prospective clients’ residential or small commercial properties only in Service Vehicles that have been acquired, designed, equipped, painted, decaled, decorated and/or otherwise outfitted as specified and approved by us, and no others. It is acknowledged that such restriction is necessary to present a uniform appearance to the public. You understand and acknowledge that the Service Vehicle shall only be used for projects and work approved and/or authorized by us, and for no other purpose.

9.5.2 Condition. You shall maintain your Service Vehicles in good working order, performing scheduled maintenance as recommended by the manufacturer and repairing all malfunctions promptly. You shall also ensure that each Service Vehicle is equipped with all of the items and accessories required by us, as well as displaying approved signage. Each Service Vehicle must be replaced before it reaches one hundred fifty thousand (150,000) miles or it is seven (7) years old, whichever comes first.

9.5.3 Cleanliness and Appearance. You shall keep all of your Service Vehicles neat and clean, and consistent with the image of the Franchised Business as a professionally operated junk removal business.

9.5.4 Disposition. Under no circumstances shall you allow a Service Vehicle to come into the possession of anyone who is not a “1-800-JUNKPRO” franchisee without first removing and/or obliterating all the Proprietary Marks. When you dispose of any Service Vehicle, you must inform us of the disposition in writing, including verification of the removal of all signage and Proprietary Marks. You are permitted to sell the cab and chassis, but the truck body shall be destroyed and recycled according to our requirements. In addition, during the term of this Agreement, you may not, without our written consent, assign or sublet a lease for any Service Vehicle.

9.5.5 Safe Driving. You shall hire and use only safe and courteous drivers of your Service Vehicles.

9.5.6 Compliance with Law. You shall at all times cause yourself and your employees, agents and independent contractors, along with all Service Vehicles, to be in full compliance with all applicable laws and regulations pertaining to all Service Vehicles, including, but not limited to, any requirements relating to licensing of drivers.

9.5.7 Taxes and License Fees. You shall promptly pay all license and use charges and taxes assessed on or pertaining to your Service Vehicles, and shall hold us harmless therefrom.

9.5.8 Inspection. We, by our agents, employees and attorneys, shall have the right at all times during business hours, and without prior notice to you, to inspect the interior and exterior of your Service Vehicles to ascertain if you are in compliance with this Agreement. Such inspection may include verification of correct registration, licensing and insurance. You shall cooperate, and shall cause your employees to cooperate, fully with such inspection, and shall give your permission as may be necessary to allow us to obtain government and insurance company records pertaining to ownership and operation of the Service Vehicles, and promptly deliver the information and documentation referred to herein to us, upon our request.

9.5.9 Additional Service Vehicles. You may add additional Service Vehicles to better serve your clients, subject to our advance written consent. We shall not unreasonably withhold our consent allowing you to add a Service Vehicle, but may request, and you shall provide, any information relating to your Franchised Business to assist us in making our determination. Notwithstanding the foregoing, you shall comply with the Service Vehicle Roll-Out Schedule included on Exhibit A hereto.

9.5.10 Reports. You shall, when upon adding a Service Vehicle to the Franchised Business, report to us in writing the identity of the Service Vehicle you are adding. Also, you shall, from time to time as requested by us or pursuant to this Agreement, report to us in writing the identity of all Service Vehicles you are then using in connection with the Franchised Business. You shall also report to us in writing each time you dispose of any Service Vehicle, setting forth the date of disposition, the name and address of the purchaser and a description of the measures taken to obliterate all resemblance to a 1-800-JUNKPRO Service Vehicle. These reports shall also include such other information as we may reasonably require, and shall be made on such forms, and at such times, as prescribed by us.

9.5.11 Lease of Service Vehicle. In the event you lease your Service Vehicle(s), rather than purchasing them, the following shall apply:

(a) You shall provide us with a copy of the proposed lease offer for the Service Vehicle for our approval. Upon execution of the lease for the Service Vehicle(s), you shall provide us with copies of all lease documents, including the vehicle identification number for each Service Vehicle.

9.5.12 Hazardous Materials. You will not deal in any way with any hazardous materials, including, but not limited to, oil or gasoline, except in connection with the operation of the Service Vehicles; asbestos, any materials containing or contaminated with PCBs; liquid waste or sludge of any sort; septic tank sludge or waste; solvents, liquid paints or chemicals; and any other item which may be considered a Hazardous Material, as such term is defined by the laws applicable to the Territory.

9.6 Acknowledgments

You acknowledge that you are one of a number of franchisees, each of whose success depends in substantial part on the integrity, reputation and marketing efforts of each other franchisee. You further acknowledge that the value of the Proprietary Marks and of membership in the System to you, to us and to each other franchisee depends on the maintenance of uniform standards of quality, integrity and appearance. You further acknowledge that any action which impairs the reputation and goodwill of the Proprietary Marks, impairs or adversely affects our objectives or brings us into disrepute, or departs from our uniform practices, will be likely to injure all members of the System.

9.7 Our Directives

You agree that you will at all times adopt and follow all our directives concerning the appearance of your premises and Service Vehicles, the quality and appearance of goods and services offered, the appearance of you and your staff, other business practices and other matters likely to affect the public perception of the System as a unified and reliable network of companies. You will offer all of, and only, the goods and services which we authorize for “1-800-JUNKPRO” businesses.

9.8 Variances

Complete and detailed uniformity under many varying conditions may not be possible or practicable, and we therefore reserve the right and privilege, at our sole and absolute discretion and as we may deem in the best interest of all concerned in any specific instance, to vary standards to accommodate special needs of you, or those of any other franchisee, based upon the peculiarities of a particular site or location, density of population, business potential, population of trade area, existing business practices, requirements of local law or local custom, or any other condition which we deem to be of importance to the successful operation of such franchisee’s business. Further, we may from time to time allow certain franchisees to depart from normal System standards and routines in certain respects in order to experiment with or test new products or services, equipment, Service Vehicles, designs, procedures and the like. In no event shall such variance, or such testing, be deemed a waiver of any of our rights, or an excuse from performance of any of your duties hereunder. We may at any time require you to commence full compliance with all of our standards and procedures. We shall not under any circumstances be required to grant any variance to you. Nothing contained in this Article is intended to confer on you any right to compel us to grant a variance to you or to grant, withdraw or modify any variance given to any other franchisee. Such matters shall at all times remain within our sole and absolute discretion.

9.9 Client Referrals

You acknowledge that you are required to refer prospective customers to the Sales Center. The Sales Center has the primary scheduling database and will be the central point of contact for all customers.

9.10 Former Franchisees

You acknowledge that former franchisees (those whose franchise agreements have expired or have been terminated) are in a position to compete unfairly with you and/or other members of the System, and to cause great injury to the reputation of the System and/or the Proprietary Marks. You therefore agree as follows:

9.10.1 You will not sell, loan, give or otherwise transfer or deliver to any former franchisee, or allow any former franchisee to copy or otherwise obtain, any confidential business information about the System; any advertising or promotional materials produced by the Brand

Development Fund or by us or which bear any of the Proprietary Marks; any other materials or publications of ours, including, without limitation, the Operations Manual; any directory or roster of franchisees or approved suppliers, any other client lists or mailing lists pertaining in any way to the System; or any other information about the Franchised Business or the System which is not available to the public.

9.10.2 You will not refer prospective clients to any former franchisee.

9.10.3 You will not notify or advise any former franchisee of, or in any other way assist any former franchisee in learning about, the date, time and place of any meetings of franchisees.

9.10.4 If you observe any former franchisee using any of the Proprietary Marks in any way, or utilizing business premises or motor vehicles from which the Proprietary Marks and/or distinctive color scheme have not been completely obliterated, you shall immediately report such observation to us, along with all details available to you.

9.10.5 You shall in general have no dealings with any former franchisees of the System.

9.10.6 The provisions of Section 9.10 of this Agreement shall apply to you as soon as you are on notice of the expiration or termination of another franchise agreement. You shall be deemed to be on such notice when you receive notice from us that one (1) or more particular franchise agreements have expired or have been terminated.

9.11 Computer System

You shall (at your sole cost and expense) acquire computer hardware and software meeting our specifications. You understand and acknowledge that such computer hardware and software is required to properly operate the Franchised Business. In addition, you shall provide to us any user IDs and passwords that we require.

9.12 Authorized Products and Services

Our reputation and goodwill is based upon, and can be maintained and enhanced only by the provision of high quality Services and other related products and services. You agree, therefore, that you will only offer such Services and other products and services that we shall authorize for the Franchised Business, including but not limited to any newly developed proprietary products or equipment. You further agree that you will not sell your client list(s) or client contracts, or otherwise use your client list(s) for any purpose other than in connection with the operation of your Franchised Business. You agree that you will not, without our prior written approval, offer or sell any type of service or offer, sell or use any product that is not authorized by us for the Franchised Business. You further agree that any equipment used in Franchised Businesses shall not be used for any purpose other than the operation of your Franchised Business in compliance with this Agreement.

If you propose to offer for sale through the Franchised Business any products or services not previously designated or approved by us, then you must first submit the proposed product or service to us for consideration and approval. We will consider the proposed product or service and respond to you within a reasonable time as to whether or not the product or service is approved for sale through the Franchised Business. We reserve the right to make alterations to the proposed product or service as a condition of approval. You acknowledge and agree that, with respect to any change, amendment, or improvement in the System or proposed products or services for which you request our approval: (i) we shall have the right to incorporate the proposed change into the System and shall thereupon obtain all

right, title, and interest therein without compensation to you, (ii) we shall not be obligated to approve or accept any request to implement change, and (iii) we may from time to time revoke our approval of a particular change or amendment to the System, and upon receipt of written notice of such revocation, you shall modify your activities in the manner described by us. It is understood and agreed that information, improvements to the System or techniques prepared, compiled or developed by you, your employees or agents during the term of this Agreement and relating to the Franchised Business, whether developed separately or in conjunction with us, shall be considered as part of the Know How. You hereby grant to us an irrevocable, worldwide, exclusive, royalty-free license, with the right to sub-license such product or service.

9.13 Approved Products and Supplies

You agree that all products and supplies used in your Franchised Business shall comply with our specifications and quality standards. In order to maintain uniformity of concept and quality, all proprietary materials and forms used by you shall be purchased from us, our affiliates or a supplier we designate in accordance with the terms and procedures set forth in the Operations Manual. The use or sale of unapproved products or services shall constitute a material and incurable breach of this Agreement. We shall provide you with a list of approved products and supplies and shall from time to time issue revisions thereto. If you wish to use any type or brand of product or supply item or wish to purchase products or supplies from a supplier that is not currently approved by us, you shall notify us of your desire to do so and submit to us specifications, photographs, samples and/or other information requested by us. We shall, within a reasonable time, determine whether such products, supplies or such supplier meets our specifications and standards and notify you whether you are authorized to use such product or supply item or purchase from such supplier. You agree to reimburse our costs related to our evaluation of the product or supplier you propose.

9.14 Employees

You are required to comply with the policies and procedures for the selection of employees and independent contractors as set forth in the Operations Manual and shall be required to uphold and represent the System to the highest standards.

9.15 Employee Training

You shall offer such continuing training programs to your personnel as are specified in the Operations Manual.

9.16 Advertising

You shall comply with all of the obligations regarding advertising as are set forth in Article 11 of this Agreement.

9.17 Hours of Operation

You shall operate your Franchised Business during those hours prescribed in the Operations Manual.

9.18 Inspection

We or any of our authorized agents or representatives may, upon reasonable notice, inspect the Franchised Business during normal business hours to determine whether it is in compliance with this Agreement and with the System. Further, you understand and consent to our ability to access all files,

data, accounts, reports and the like resulting from your transmission of any required reports to us via computer.

9.19 Reports

You shall submit to us such reports regarding the Franchised Business as we prescribe in the Operations Manual.

9.20 Good Faith

You shall act in good faith and use your best efforts to comply with your obligations under this Agreement, and shall cooperate with us in accomplishing the purposes of this Agreement. Further, you shall not directly or indirectly engage in any activities which would be detrimental to or interfere with the operation or reputation of the Franchised Business, us, the System, or the operations of any other franchisee.

9.21 Ethics

You agree to conduct your business in a manner that complies with the terms and intent of this Agreement; with national, state and local laws, regulations and ordinances; and with our Code of Ethics (if and when adopted and published by us). You hereby authorized any federal, local or state body regulating or supervising junk removal practices to release to us information related to complaints and to any disciplinary actions taken based upon your practices. You agree to notify us within five (5) business days of any such complaints or disciplinary actions. You also agree to maintain all permits, certificates and licenses (necessary for your franchise operation) in good standing and in accordance with applicable laws and regulations.

9.22 Guaranty

Upon execution of this Agreement, your majority owners (if you are a corporation or limited liability company), the General or Managing Partner (if you are a limited partnership) or the individual partners (if you are a standard partnership) shall each execute the Guaranty in the form annexed hereto as Exhibit E of all obligations hereunder, including those of payment of money.

9.23 Customer Satisfaction; Operation of Franchised Business

You agree to comply with our requirements related to customer satisfaction as set forth in the Operations Manual. In addition, you shall use your best efforts to ensure that the Franchised Business is performing satisfactorily, in our opinion.

9.24 Forms of Payment

You agree to accept the forms of payment that we designate as well as the credit card processing service that we designate. You understand and acknowledge that this restriction, including the restriction that neither you nor any of your employees may accept cash as a form of payment, is for the benefit and safety of you and your employees.

9.25 Minimum Gross Revenues Requirements

You must achieve a minimum level of Gross Revenues annually to retain your territorial rights during the term of this Agreement, as follows:

9.25.1 during your first (1st) year of operation, for up to four (4) Zones combined, you must generate at least One Hundred Thousand Dollars (\$100,000) in total Gross Revenues;

9.25.2 during your second (2nd) year of operation you must generate at least Fifty Thousand Dollars (\$50,000) in Gross Revenues for each Zone you own;

9.25.3 during your third (3rd) year of operation you must generate at least Seventy Five Thousand Dollars (\$75,000) in Gross Revenues for each Zone you own;

9.25.4 during your fourth (4th) year of operation you must generate at least One Hundred Thousand Dollars (\$100,000) in Gross Revenues for each Zone you own; and

9.25.5 during your fifth year of operation, you must generate at least One Hundred Twenty Five Thousand Dollars (\$125,000) in Gross Revenues for each Zone you own.

We reserve the right, in our discretion and based on an individual franchisee's circumstances, to modify the minimum Gross Revenues that franchisee will be required to achieve. If we do this, we are not required to grant you a similar modification.

If you fail to achieve the minimum levels of Gross Revenues, we may either take back a Zone (if you have purchased multiple Zones), reduce your Territory size or terminate this Agreement. These minimums shall not be deemed to be a projection or estimation of how much money or revenues that you might be able to generate from your Territory. These minimums have been established to permit you to maximize the revenues to be generated from your Territory and to provide as much market penetration as possible so as to build brand-equity within the Territory. You understand and acknowledge that if your Franchised Business may be considered seasonal in some areas of the country, your Franchised Business may earn less revenue during certain times of the year.

ARTICLE 10 **INSURANCE**

10.1 Prior to opening the Franchised Business for business, you must obtain the insurance coverages required by us under policies of insurance issued by carriers having an A.M. Best rating of "A" or better. Our then-current insurance requirements are contained in the Operations Manual and are subject to change during the term of this Agreement. You agree to comply with any modified insurance requirements. As of the date of this Agreement, you shall purchase and maintain the following: (1) comprehensive general liability insurance with minimum liability coverage of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate; (2) Workers' Compensation or other employer's liability insurance with minimum limits as follows: One Hundred Thousand Dollars (\$100,000) per accident, One Hundred Thousand Dollars (\$100,000) disease per person, and Five Hundred Thousand Dollars (\$500,000) disease policy limit. You must also have such other insurance as may be required by statute or rule in the state(s) in which the Franchised Business is located or operates; and (3) automobile liability coverage, including coverage of owned, non-owned and hired vehicles, of One Million Dollars (\$1,000,000) combined single limit. You must maintain all required policies in force during the entire term of this Agreement and any renewals thereof. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us (and, if we so

request, our directors, employees or shareholders) as additional insureds and must provide us with thirty (30) days' advance written notice of any material modification, cancellation, or expiration of the policy.

10.2 We recommend that you obtain the following additional coverages: (1) general casualty insurance including fire and extended coverage, vandalism, theft, burglary and malicious mischief insurance for the replacement value of the Franchised Business and its contents; and (2) an umbrella insurance policy.

10.3 Before the expiration of the term of each insurance policy, you must furnish us with a Certificate of Insurance for each policy to be maintained for the upcoming term, along with evidence of the payment of the premium for each. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of the required insurance coverage and the payment of the premiums for same, we may obtain, at our option and in addition to our other rights and remedies under this Agreement (including termination), any required insurance coverage on your behalf. If we do that, you agree to fully cooperate with us in our effort to obtain the insurance policies, promptly execute all forms or instruments required to obtain or maintain the insurance, allow any inspections of the Franchised Business which are required to obtain or maintain the insurance and pay to us, on demand, any costs and premiums we incur.

10.4 Your obligation to maintain insurance coverage, as described in this Agreement, will not be reduced in any manner by reason of any separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations under this Article 10.

10.5 We reserve the right to obtain from your insurance carrier(s) periodic reports of losses (such as monthly, quarterly and/or annually), and you shall authorize your insurance carrier(s) to provide us with such reports.

ARTICLE 11 **ADVERTISING**

11.1 Approval by Us

You shall use for your advertising and promotional activities only those materials, concepts and programs which have been furnished or approved in advance by us by specification in the Operations Manual or otherwise. You acknowledge that we may be one of, or the only, approved supplier for certain advertising and promotional materials and programs.

11.2 Brand Development Fund

We reserve the right to create and maintain and administer a franchisee Brand Development Fund (the "Fund") for such regional advertising and promotional programs as we may deem necessary or appropriate. The responsibility for creation and administration of the Fund shall remain with us. Advertising and promotional activities conducted by the Fund shall be funded by Brand Development Fees paid by you to us, and you agree to participate in any such promotional activities.

Your Brand Development Fees shall be placed in the Fund, managed by us. We agree that contributions to the Fund shall be used exclusively for advertising and public relations purposes for the exclusive, collective benefit of all participants of the System, including all franchisees, us and our affiliates. We will spend the majority of contributions to the Fund on any of the following: (1) website development and advertising, (2) local or regional advertising, media, promotion or marketing or local or regional public relations programs, (3) other activities connected to the promotion and marketing of the

Proprietary Marks and the System; or (4) retaining advertising and/or public relations agencies in relation to developing advertising. We will also spend a portion of the contributions to the Fund to engage in test marketing, to conduct research, surveys of advertising effectiveness, produce new commercials and other promotional and advertising materials and programs, or other purposes deemed beneficial by us for the general recognition of the Proprietary Marks and the System. You shall, upon your written request, receive on an annual basis within one hundred twenty (120) days after the end of each fiscal year a report describing the activity of the Fund, which report is not required to be audited. We shall be entitled to reimbursement for our reasonable accounting, collection, bookkeeping, reporting and legal expenses incurred with respect to the Fund. We shall not be liable for any act or omission with respect to the Fund which is consistent with this Agreement or done in good faith. All sums paid by franchisees to the Fund, and any income earned thereon, shall be maintained by us in a segregated account and shall be used only for the purposes specified herein.

The Fund is not our asset. The Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Fund or for any other reason. We may spend in any fiscal year an amount greater or less than the aggregate contribution of Franchised Businesses to the Fund in that year and we may make loans to the Fund (and the Fund may borrow from us or other lenders) bearing reasonable interest to cover any deficits of the Fund or cause the Fund to invest any surplus for future use by the Fund. Any monies remaining in the Fund at the end of any fiscal year shall carry forward to be spent in the next year. We may incorporate the Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of our rights and duties specified in this Section.

You understand and acknowledge that the Fund is intended to maximize general public recognition and patronage of the Franchised Businesses and the Proprietary Marks for the benefit of all Franchised Businesses. We undertake no obligation to ensure that expenditures by the Fund are proportionate or equivalent to contributions by Franchised Businesses or that any Franchised Business will benefit direct or in proportion to its contribution to the Fund from the conduct of marketing programs or the placement of advertising.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Development Fees at the Fund's expense. We also may forgive, waive, settle and compromise all claims by or against the Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you for collecting amounts used in maintaining, directing or administering the Fund.

We may at any time defer or reduce the Brand Development Fee of a Franchised Business, and upon thirty (30) days' prior written notice to you, reduce or suspend Brand Development Fees and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to all Franchised Businesses (whether franchised or operated by us or our affiliates) in proportion to their respective Fund contributions during the preceding twelve (12) month period. If we elect to reinstate the Fund, any reinstated Fund shall be maintained as described herein.

11.3 Local Advertising

In addition to the contributions to the Fund described above, you shall also be required to promote your Franchised Business within your Territory. During the first (1st) year of operation, you shall spend six percent (6%) of Gross Revenues or Two Thousand Four Hundred Dollars (\$2,400), whichever amount is greater, each quarter on local advertising and promotion. Beginning in the second

(2nd) year of operation and for the remainder of the Initial Term, you shall spend an amount equal to six percent (6%) of Gross Revenues each quarter on local advertising and promotion.

We may, from time to time, offer you approved local marketing plans and materials on the same terms and conditions as we are then offering to our other franchisees. Prior to their use by you, samples of all local marketing materials not prepared or previously approved by us shall be submitted to us for written approval. If you do not receive written or verbal approval within 30 days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional or marketing materials that we have disapproved. Advertising promotional or marketing materials which we must approve include any information on a web home page or otherwise on the Internet.

Any and all advertising we approve for your use in your local market will become our property upon our approval and we may use this advertising for our own purposes. You must advertise your Franchised Business using the telephone number and website address we specify. At our request you must include certain language in your local advertising, including “Franchises Available” and our website address and telephone number.

Upon our request, you shall provide us with verification of all expenditures for local advertising within thirty (30) days of such request.

11.4 Cooperative Advertising

We have the right, in our sole discretion, to designate any region or area in which two (2) or more Franchised Businesses are operating as an area in which to establish a Cooperative Fund. If a Cooperative Fund is formed among franchisees within a region, the Cooperative Fund must receive our approval, which will not be unreasonably withheld. The Cooperative Fund will conduct advertising campaigns for the Franchised Businesses located in that region. Contributions to a Cooperative Fund are determined by majority vote the Franchised Businesses in the Cooperative Fund. Any amounts paid to a Cooperative Fund will count as part of your local advertising requirement; provided, however, that in the event any contribution to a Cooperative Fund is less than the amount you are required to expend for local advertising, you shall nevertheless be required to spend the difference locally.

Each Franchised Business owned by franchisees, us or our affiliate(s) that are members of a Cooperative Fund will have one (1) vote on Cooperative Fund matters, regardless of the number of Zones owned by such Franchised Business. Subject to our approval, the members of the Cooperative Fund shall determine the contributions to be made to the Cooperative Fund by each Franchised Business.

If a Cooperative Fund for your area was established before you began to operate your Franchised Business, then you shall immediately join that Cooperative Fund upon the opening of the Franchised Business. If a Cooperative Fund for your area is established after you begin to operate the Franchised Business, you will have thirty (30) days to join the new Cooperative Fund. An individual Franchised Business will not be required to be a member of more than one Cooperative Fund. If we (or our affiliate) contribute to a Cooperative Fund, we (or our affiliate) will have the same voting rights as other Franchised Businesses in the Cooperative Fund.

11.5 Social Media Policy

You shall strictly comply with our social media policy, as described in the Operations Manual and as it may be amended or updated from time to time, related to social and/or networking internet websites, including, but not limited to, Facebook, MySpace, Youtube, Yelp, LinkedIn and Twitter. You are not permitted to promote your Franchised Business or use any of the Proprietary Marks in any

manner on any social or networking websites, such as Facebook, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Franchised Business's operation, including prohibitions on your and the Franchised Business's employees posting or blogging comments about the Franchised Business or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook and MySpace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

11.6 Advisory Councils

We reserve the right to develop one or more advisory councils for the System. If we form an advisory council, it will include our representatives and franchisee representatives. Franchisee representatives may be chosen by us or may be selected by other franchisees in the System. If you participate on an advisory council, you must pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings. Any council we establish will act in an advisory capacity only and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council at any time.

ARTICLE 12 **REPORTING AND FINANCIAL MANAGEMENT REQUIREMENTS**

12.1 Record Keeping

You shall keep true and accurate records, including those which may be specified by us from time to time, from which all sums payable under this Agreement and the dates of accrual thereof may be readily determined. You shall keep such records on your business premises at all times, unless we permit them to be kept at another location. In any event, you shall at all times inform us of any change in the location of your said records. You shall be required to make all data and records available to us upon request. All data retrieved by us from you shall become our property. We reserve the right, in our sole discretion, to share your data, including but not limited to reports and performance information but excluding any personal data, with other franchisees in the System for purposes of comparison and development.

12.2 Reporting Systems

You agree to utilize such reporting and financial control systems as we may direct.

12.2.1 You shall maintain on forms approved or provided by us a monthly sales report and monthly profit and loss statement accurately reflecting the operations and condition of said business.

12.2.2 You shall employ such methods of filing, record-keeping, bookkeeping, accounting and reporting as we shall from time to time reasonably require.

12.2.3 You shall adopt and shall strictly adhere to such methods for control and protection of cash receipts (and of records pertaining thereto) as we may from time to time direct.

12.3 Reports

To enable us to verify the Royalty Fees, Sales Center Cooperative Fees, Brand Development Fees and other payments due hereunder and to monitor your progress and your compliance with this Agreement, in addition to reports otherwise required under this Agreement, you shall provide to us written reports in such form and at such times as we may prescribe. In addition, we shall, at all times, have on-line access to your reports.

12.3.1 You shall be required to provide the following reports to us:

(a) By Monday of each week, a report of the Gross Revenues generated by your Franchised Business for the previous week ending Sunday, including such detail as we may require and in the format we require;

(b) By the twentieth (20th) day of each month, an income report for the Franchised Business, including such detail as we may require and in the format required by us; and

(c) By April 15th of each year, an annual income statement prepared on a calendar year basis, including such detail as we may require and in the format required by us.

(d) We reserve the right to require you to submit your reports at any frequency we choose, such as weekly, monthly, quarterly, etc.

12.3.2 Reports shall be deemed timely made if personally delivered to our offices, electronically transmitted to and received by us, or postmarked by the U.S. Postal Service (with proper first-class postage prepaid) on or before the required date.

12.3.3 You understand and acknowledge that we have the right to compile sales data regarding all 1-800-JUNKPRO Businesses in the System and to disclose such information to other franchisees in the System and in our Franchise Disclosure Document.

12.4 Audit

We and our authorized representatives shall have the right at all times during the business day to enter your Franchised Business or any other location where books and records relative to the Franchised Business are kept, and to inspect, copy and audit such books and records, including, without limitation, your state and federal income tax returns and state sales and use tax and personal property tax returns, and you hereby waive any privileges with regard to any tax returns. You shall cooperate completely and in good faith with such audit, and shall provide and explain all records requested by such auditor or necessary to provide information sought by such auditor.

12.4.1 If such audit or inspection discloses that you have underpaid any sums due us under this Agreement, you shall pay the same immediately together with interest on the understated amount as described in Section 8.11. If such audit or inspection reveals any overpayment by you, the amount thereof shall be credited against continuing fees next falling due.

12.4.2 If the audit is deemed necessary, in our opinion, due to your failure to provide required reports, or in the event that any such inspection or audit reveals an understatement of two percent (2%) or more relating to any amount reported or payable by you to us, you shall pay to us the understated amount together with applicable interest thereon and you shall, in addition, reimburse us for all costs and expenses connected with the inspection (including, without limitation, reasonable

accounting and attorneys' fees). These remedies shall be in addition to any other remedies we may have at law or in equity.

12.5 Correction of Errors

You understand and agree that our receipt or acceptance of any of the statements furnished or Royalty Fees and other fees paid to us (or the cashing of any checks or processing of any EFTs) shall not preclude us from questioning the correctness thereof at any time and, in the event that any inconsistencies or mistakes are discovered in such statements or payments, they shall immediately be rectified by you and the appropriate payment shall be made by you.

12.6 Authorization of Us

You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with which you do business to disclose to us any requested financial information in their possession relating to you or the Franchised Business. You authorize us to disclose data from your reports if we determine, in our sole and absolute discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

ARTICLE 13

INDEPENDENT CONTRACTOR AND INDEMNIFICATION

13.1 Independent Parties

It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that you are, and shall at all times be and remain, an independent contractor, and that nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

13.2 Independent Contractor

During the term of this Agreement and any renewal hereof, you shall hold yourself out to the public as an independent contractor operating the business pursuant to a franchise granted by us. You shall take such affirmative action as may be necessary to indicate same, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Service Vehicle, business cards, and letterhead, the content of which we reserve the right to specify.

13.3 Indemnification by You

You agree at all times to defend, at your own cost, and to indemnify and hold harmless to the fullest extent permitted by law, us, our corporate parent, the corporate subsidiaries, affiliates, successors, assigns, and designees of either entity and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each (we and all others hereinafter referred to collectively as "Indemnitees") from all losses and expenses (as hereinafter defined) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: your infringement or any other violation of any patent, trademark, copyright or other proprietary right owned or controlled by third parties; your violation or breach of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; libel, slander or any other form of defamation by you; your violation or breach of any warranty, representation,

agreement, or obligation in this Agreement; any acts, errors, or omissions of yours or any of your agents, servants, employees, contractors, partners, proprietors, affiliates, or in any manner in connection with the Franchised Business; the inaccuracy, lack of authenticity, or non-disclosure of any information by you; any service provided by you at, from, or related to the operation at the Approved Location or from the Service Vehicle; or any services provided by any affiliated or non-affiliated participating entity. For the purpose of this Section, the term “losses and expenses” shall be deemed to include all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, attorneys’ fees, experts’ fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting, or replacing same, and any and all expenses of recall, refunds, compensation, public notices, and other such amounts incurred in connection with the matters described. You agree to give us notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. We reserve the right to assume the defense for such action, suit, proceeding, claim, demand, inquiry or investigation, at your expense. The foregoing indemnification shall not apply to losses or expenses arising from our gross negligence or willful acts.

13.3.1 At your expense and risk, we may elect to assume (but under no circumstance are obligated to undertake) the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation, provided that we will seek your advice and counsel and shall keep you informed with regard to any such proposed or contemplated settlement(s). Such an undertaking by us shall in no manner or form diminish your obligation to indemnify us and to hold us harmless.

13.3.2 All losses and expenses incurred under this Section 13.3 shall be chargeable to and paid by you pursuant to your obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity or defense.

13.3.3 The Indemnitees do not assume any liability whatsoever for acts, errors, or omissions of those with whom you may contract, regardless of the purpose. You shall hold harmless and indemnify the Indemnitees for all losses and expenses which may arise out of any acts, errors, or omissions of these third parties.

13.3.4 Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against you. You agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by the Indemnitees from you.

13.4 Indemnification by Us

We agree at all times to defend, at our own cost, and to indemnify and hold harmless to the fullest extent permitted by law you, your corporate parent, the corporate subsidiaries, affiliates, successors, assigns, and designees of either entity, and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each from all losses and expenses (as hereinafter defined) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: our infringement or any other violation of any patent, trademark, copyright or other proprietary right owned or controlled by third parties; our violation or breach of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; libel, slander, or any other form of defamation by us; our violation or breach of any warranty, representation, agreement, or obligation in this Agreement. For the purpose of this Section, the

term “losses and expenses” shall be deemed to include all losses, compensatory, exemplary, or punitive damages, fines, charges, costs, expenses, lost profits, attorneys’ fees, experts’ fees, court costs, settlement amounts, judgments, compensation for damages to your reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting, or replacing same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described. We agree to give you notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. The foregoing indemnification shall not apply to losses or expenses arising from your gross negligence.

ARTICLE 14

CONFIDENTIAL INFORMATION

14.1 You shall not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation any confidential information or Know How concerning, among other things, client identities and information, as well as the methods of operation of the Franchised Business hereunder which may be communicated to you, or of which you may become apprised, by virtue of the operation of the Franchised Business at the Approved Location or from the Service Vehicle under this Agreement. You shall divulge such confidential information only to such of your employees or officers and directors who must have access to it in order to operate the Franchised Business. Any and all information, knowledge and know how, including, without limitation, the materials, equipment, specifications, techniques, and other data which we designate as confidential shall be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention prior to disclosure thereof by us; or which, at the time of disclosure by us to you, had become a part of the public domain through publication or communication by others; or which, after disclosure to you by us, becomes a part of the public domain through publication or communication by others.

14.2 You shall require all personnel having access to any Know How or confidential information provided by us, or otherwise playing a role in the solicitation or provision of the Services or related services to clients, to execute covenants that they will maintain the confidentiality of information they received in connection with their employment or engagement by you, in accordance with the form provided as Exhibit D hereto. It is expressly understood that we are designated as a third party beneficiary of such covenants with the independent right to enforce them.

14.3 You acknowledge that any actual or threatened failure to comply with the requirements of this Article 14 will cause us to suffer immediate and irreparable injury, non-compensable by the payment of mere money damages, permitting us with or without notice to seek immediate injunctive relief. You agrees to pay all court costs and reasonable attorneys’ fees incurred by us when we seek to obtain specific performance or an injunction against violation of the requirements of this Article 14.

ARTICLE 15

COVENANTS NOT TO COMPETE

15.1 In-Term Covenants

You specifically acknowledge that, pursuant to this Agreement, you shall receive valuable training and confidential information, including, without limitation, information regarding the promotional, operational, sales, and marketing methods and techniques of us and the System, and that the covenants not to compete set forth below are fair and reasonable and will not impose any undue hardship on you, since you have other considerable skills, experience, and education which afford you the

opportunity to derive income from other endeavors. You covenant that during the term of this Agreement, except as may be otherwise approved in writing by us, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

15.1.1 Divert or attempt to divert any business or client of the Franchised Business hereunder 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 and the System;

15.1.2 Knowingly employ or seek to employ any person who is at that time employed by us or by any other franchisee of ours, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment; or

15.1.3 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any business (including any business operated by you prior to entry into this Agreement) specializing, in whole or in part, in the activities conducted by you, and any other type of service which you may be authorized to render hereunder and sell any other products and services which you may be authorized to sell hereunder (a "Competitive Business").

15.2 Post-Term Covenants

You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, or upon transfer of this Agreement or the Franchised Business pursuant to Article 16 hereof, and continuing for two (2) years thereafter (and in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any Competitive Business:

15.2.1 Within a radius of fifty (50) miles of your premises or Approved Location; or

15.2.2 Within a radius of fifty (50) miles of the location of any business using the System and/or the Proprietary Marks, whether franchised or owned by us or our subsidiary or affiliated companies.

15.3 Unenforceability of Covenants

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 Article 15 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you 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 part of this Article 15.

15.4 Our Right to Amend

You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in Sections 15.1 and 15.2 of this Agreement, or any portion thereof, without your written consent, effective immediately upon receipt by you of written notice thereof. You

agree that you shall comply forthwith with any covenant as so modified, which will be fully enforceable notwithstanding the provisions of this Article 15.

15.5 Existence of Claim

You expressly agree that the existence of any claim that you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Article 15.

15.6 Injunction

You acknowledge that any threatened or actual failure to comply with the requirements of this Article 15 would cause us to suffer immediate and irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to the *ex parte* entry of an injunction prohibiting any conduct by you in violation of the terms of this Article 15. We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement, statute, common law or otherwise.

15.7 Additional Covenants

At our request, you shall require and obtain execution of covenants identical in scope to those set forth in this Article 15 (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons:

15.7.1 Any key persons employed by you who have received training from us;

15.7.2 All officers, directors and holders of a beneficial interest of five (5%) percent or more in you, and of any entity directly or indirectly controlling you, if you are a corporation or limited liability company;

15.7.3 The general partners and any limited partners (including any corporation or limited liability company, and the officers, directors, and holders of a beneficial interest of five (5%) percent or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if you are a partnership; and

15.7.4 Each covenant required to be executed pursuant to this Section 15.7 shall be on a form supplied by us, including, without limitation, specific identification of us as a third party beneficiary of such covenants with the independent right to enforce them. Your failure to obtain execution of a covenant required by this Section 15.7 shall constitute a default under Section 17.2 hereof.

ARTICLE 16

ASSIGNMENT AND RIGHT OF FIRST REFUSAL

16.1 Assignment by Us

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of “1-800-JUNKPRO, LLC” as Franchisor. Nothing contained in this Agreement shall require us to remain in the junk removal business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

16.2 Assignment by You

Neither your interest in this Agreement nor any of your rights or privileges hereunder, nor the Franchised Business nor any interest therein, may be assigned, transferred, shared or divided, voluntarily or involuntarily, directly or indirectly, without our prior written consent, which shall not be unreasonably withheld, and without your first complying with Section 16.2.1 hereof. (The use of the term “assignment” herein encompasses any actual or purported assignment, sale, transfer or other arrangement having the purpose or effect of shifting ownership or control interests in the Franchised Business.) Any actual or purported assignment of this Agreement or of the Franchised Business in violation of the terms hereof shall be null and void and shall constitute an incurable breach of this Agreement. The actual or purported transfer in the aggregate of more than fifty (50%) percent of the Franchised Business shall be deemed to be an “assignment” hereunder.

16.2.1 Our consent (such consent not to be unreasonably withheld) to any assignment is subject to the following conditions:

(a) The assignee must demonstrate that it has the skills, qualifications, licensing and economic resources necessary, in our judgment, to conduct the Franchised Business and to fulfill its obligations to you and to us.

(b) The assignee must expressly assume in writing all of your obligations under this Agreement.

(c) As of the date of any such assignment, you shall have fully complied with all of your obligations to us, whether under this Agreement or any other agreement, arrangement or understanding with us.

(d) The assignee must execute a new Franchise Agreement in the form and on the terms and conditions then being offered by us to franchisees (except that the assignee shall not be obligated to pay another Initial Franchise Fee). The term of such new Franchise Agreement shall expire on the expiration date of this Agreement.

(e) You shall pay us a transfer fee equal to Ten Thousand Dollars (\$10,000) for your entire Territory, payable as follows: Two Thousand Five Hundred Dollars (\$2,500) is payable to us when you submit you request for approval of the proposed transfer, and Seven Thousand Five Hundred Dollars (\$7,500) is payable upon completion of the transfer.

(f) The assignee shall satisfactorily complete the training then required of all new franchisees.

(g) We shall be furnished copies of the executed contract between you and any such assignee and all related documentation, and we shall have approved of the sale terms.

(h) You must have executed a general release in a form satisfactory to us of any and all claims against us, our subsidiaries, affiliates, and designees, and our officers, directors, shareholders and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

(i) The assignee shall not be affiliated in any way with a competitor of ours.

16.2.2 Upon your death, or in the event you are determined to suffer any legal incapacity (or, if you are a corporation, limited liability company or partnership, then upon the death or legal incapacity of the shareholder, member or partner responsible for the operation of Franchised Business), the transfer of your interest to your heirs, legatees, personal representatives or conservators, surviving partner(s) or fellow shareholder(s), as applicable, shall not constitute an “assignment” hereunder and shall not give rise to our right of first refusal to purchase the Franchised Business as set forth in Section 16.4 hereof, if the following conditions are met:

(a) The heirs, legatees, personal representatives, conservators, surviving partner(s) or fellow shareholder(s), as applicable, meet our standards for qualification of new franchisees and agree in writing to be bound by the terms and conditions of this Agreement.

(b) Within six (6) months after your death or incapacity (or, if you are a corporation, limited liability company or a partnership, within six (6) months after the death or incapacity of the principal shareholder, member or partner responsible for the operation of the Franchised Business), a person designated by your heirs, legatees, personal representative(s), conservator(s), surviving partners or fellow shareholders or members, as applicable, shall have satisfactorily completed our then-current training requirements. If at the time of such death or incapacity you have employed a manager who has satisfactorily completed any version of our Training Program, this requirement shall be deemed satisfied.

(c) In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

16.3 Transfer to a Corporation or Limited Liability Company

In the event you desire to transfer your interests herein to a corporation or limited liability company formed by you solely for the convenience of ownership, you must obtain our prior written consent, which consent shall be granted if:

16.3.1 You shall be the owner of all the voting stock of the corporation or all of the membership interests, as applicable, or, if you comprise more than one (1) individual, each such individual shall have the same proportionate ownership interest in the corporation or limited liability company as it held in Franchised Business prior to the contemplated transfer; and

16.3.2 Appropriate forms of corporate resolutions, minutes and/or consents, which have been duly adopted, are furnished to us prior to the transfer.

A transfer under this Section 16.3 may occur one (1) time only without payment of the aforementioned transfer fee, and it not subject to our right of first refusal, as described in Section 16.4.

16.4 Right of First Refusal

Your right to assign, transfer or sell your interest in this Agreement (voluntarily or by operation of law) and/or the Franchised Business, as provided above, shall be subject to our right of first refusal with respect thereto. (We shall maintain the option of waiving this right in writing.) That is, we shall have the right to be offered by you the opportunity to purchase such interest in this Agreement and/or the Franchised Business on the terms and conditions which have been offered to and accepted by a third party in a wholly arms-length transaction. Our right of first refusal shall be exercised in the following manner:

16.4.1 You shall serve upon us a written notice setting forth all of the terms and conditions of the proposed assignment which shall specify the purchase price established by the parties and include reasonably complete information concerning the identity, financial standing and character of the proposed purchaser. You shall attach to such notice a copy of a binding agreement between you and the proposed purchaser, which agreement shall, however, be subject to cancellation if we exercise our right of first refusal hereunder or disapprove of the proposed transfer under Section 16.2.

16.4.2 Within thirty (30) days after our receipt of such notice (or, if we shall request additional information, within thirty (30) days after receipt of such additional information), we may, at our option, purchase the Franchised Business upon the terms and conditions specified in the notice and the agreement attached thereto.

16.4.3 If we shall elect not to exercise our right of first refusal and shall consent to an assignment, you shall, subject to the provisions of this Article, be free to assign this Agreement and/or the Franchised Business to such proposed assignee on the terms and conditions specified in said notice and the agreement attached thereto. If, however, the terms of such agreement shall be materially modified after submission thereof to us, we shall have such right to evaluate such modified agreement for an additional thirty (30) days and, if we choose to do so, exercise our right of first refusal with respect thereto.

16.5 Our Approval of Security Interest

You shall not have the right to pledge, encumber, hypothecate or otherwise give any third party any security interest in this Agreement or in the Proprietary Properties or the Franchised Business in any manner whatsoever without our express written permission, which permission may be withheld for any reason.

ARTICLE 17
DEFAULT AND TERMINATION

17.1 Automatic Termination

You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate upon receipt of notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, or the Franchised Business shall become insolvent; or if you shall make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by or against you or the Franchised Business and is not dismissed within sixty (60) days of the filing thereof; or if you or the Franchised Business is adjudicated as bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian of you or the Franchised Business or its assets is filed and consented to by you or the Franchised Business; or if a receiver or other permanent or temporary custodian of your assets or property, or any part thereof, or of the Franchised Business is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you or the Franchised Business; or if a final judgment against you or the Franchised Business remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); or if you are or the Franchised Business is dissolved; or if a suit to foreclose any lien or mortgage against you or the Franchised Business with respect to your or its personal, real or mixed property is instituted against you or the Franchised Business and is not dismissed within thirty (30) days from the date such suit is instituted; or if execution is levied against you or the Franchised Business or the property of either of them; or if the real or personal property of you or the Franchised Business shall be sold after levy thereupon by any sheriff, marshal or constable.

17.2 Termination Without Right to Cure

Upon the occurrence of any of the following events, you shall be deemed to be in default and we may, in our sole and exclusive discretion, terminate this Agreement and all rights granted hereunder without affording you any opportunity to cure the default. Termination under this Section shall be effective immediately upon the earlier of the occurrence of any of the following or receipt of notice by you:

17.2.1 If you abandon the Franchised Business by failing to operate such business for a period of ten (10) consecutive days, or any shorter period after which it is reasonable for us to conclude that you do not intend to continue to operate the Franchised Business, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond your reasonable control;

17.2.2 If you, or any owner or shareholder, director or officer of a corporate or limited liability company franchisee, or any partner or officer of a franchisee conducting business as a partnership, are convicted of a felony, a fraud, a crime involving moral turpitude or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, or the goodwill associated therewith;

17.2.3 If you make any material misrepresentation relating to the creation, acquisition or operation of the Franchised Business or engage in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business, us or the System;

17.2.4 If a second (2nd) default by you occurs within any twelve (12) month period, notwithstanding that a prior default was cured;

17.2.5 If your default under this Agreement is by its very nature incapable of being cured;

17.2.6 If you fail to attend and successfully complete our Training Program;

17.2.7 If you fail to meet the minimum Gross Revenues requirements a second (2nd) time during the term of this Agreement;

17.2.8 If you attempt, or if you complete, a transfer of the franchise without our prior consent as required under Article 16;

17.2.9 If you fail to comply with all applicable laws and ordinances relating to the Franchised Business, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; or

17.2.10 If you default under any lease for the Approved Location or any Service Vehicle and such default is not cured according to the terms of such lease(s).

17.3 Termination With Right to Cure

Except as otherwise provided in this Agreement, you shall have either ten (10) or thirty (30) days after receipt from us of a written notice of termination in which to remedy any default hereunder (or, if the default cannot reasonably be cured within such ten (10) or thirty (30) day period, to initiate within that time substantial and continuing action to cure the default) and to provide evidence thereof to us. If any default is not cured within that time (or if substantial and continuing action to cure the default is not initiated within that time), or such other period as applicable law may require, this Agreement shall terminate without further notice to you effective immediately upon expiration of the applicable cure period, or such longer period as applicable law may require. Such defaults shall include, without limitation, the occurrence of any of the following events:

17.3.1 If you fail, refuse or neglect promptly to pay when due any monies owed to us (or our affiliates, subsidiaries or designees) or to your landlord or fail, refuse or neglect promptly to submit financial or other information required by us under this Agreement, or make any false statements in connection therewith and do not correct such failure within ten (10) days;

17.3.2 If you fail to obtain our prior written approval or consent where the same is required pursuant to this Agreement and do not correct such failure within ten (10) days;

17.3.3 If you misuse, or use in an unauthorized manner, any of the Proprietary Marks, Know How, or Copyrights or materially impair the goodwill associated therewith or our rights therein and do not correct such default within ten (10) days;

17.3.4 If you participate in any business or in the marketing of any service or product under a name or mark which, in our opinion, is confusingly similar to any of the Proprietary Marks or if you (or any of your equity holders, directors, officers, partners or employees) acquire any interest in a Competitive Business, except that you or such other persons may own less than five percent (5%) of the shares of any company listed on any national or regional securities exchange or whose shares are traded through a recognized exchange and do not correct such default within ten (10) days;

17.3.5 If you violate or fail to comply with any state or federal law or ordinance that in any manner relates to or impacts upon the provision of or ability to provide junk removal and related services hereunder by you as an entity, or by any individuals who exercise any level of dominion or control over your operations, including, without limitation, a conviction based upon such a violation, allegation or charge of such violation without explanation that we shall deem to be reasonably satisfactory, or failure on your part to inform us of the existence of, threat of, charge or allegation of, or conviction of such violation, and do not correct such default within thirty (30) days;

17.3.6 If you violate any covenant not to compete set forth in Article 15 of this Agreement, following a thirty (30) day notice to cure;

17.3.7 If you fail to commence the operation of the Franchised Business within the time provided in this Agreement, following a thirty (30) day notice to cure;

17.3.8 If you fail or refuse to perform junk removal and related services for clients following a ten (10) day notice to cure;

17.3.9 If you fail to meet the minimum required Gross Revenues described herein and do not correct such failure following a thirty (30) day notice to cure; or

17.3.10 If you fail to comply with any other provision or requirement of this Agreement or the Operations Manual following a thirty (30) day notice to cure.

17.4 Cross-Defaults, Non-Exclusive Remedies, etc.

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

17.5 Amendment Pursuant to Applicable Law

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination hereunder or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth herein do not constitute "good cause" for termination within the meaning ascribed to that term by any

applicable law or regulation. We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination thereof.

17.6 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 17, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your webpage on our Website, until such time as you correct the breach.

ARTICLE 18 **FURTHER OBLIGATIONS AND RIGHTS OF THE** **PARTIES UPON TERMINATION OR EXPIRATION**

18.1 Discontinue Use of Proprietary Properties

In the event of termination or expiration of this Agreement, you shall forthwith discontinue the use of the Proprietary Marks, Know How, and Copyrights, and you shall not thereafter operate or do business under any name or in any manner that might tend to give the general public the impression that you are in any manner affiliated with us or a “1-800-JUNKPRO” business, or any business similar thereto, and you shall not thereafter use, in any manner, or for any purpose, directly or indirectly, any of our confidential information, knowledge or know-how concerning the operation, products, services, trade secrets, procedures, policies, techniques or materials or by virtue of the relationship established by this Agreement, including, without limitation, the following:

18.1.1 Standards, specifications or descriptions of our products and services;

18.1.2 Our Operations Manual and any supplements thereto;

18.1.3 Any forms, advertising matter, marks, devices, signs, insignia, slogans or designs used from time to time in connection with the Franchised Business;

18.1.4 Any copyrights, trademarks, trade names and patents now or hereafter applied for or granted in connection therewith, or any marks, logos, words or phrases confusingly similar thereto or colorable imitations thereof;

18.1.5 Any telephone number listed in any telephone directory under the name “1-800-JUNKPRO” or any similar designation or directory listing which relates to the Franchised Business; and

18.1.6 Any and all of the systems, procedures, techniques, criteria, concepts, designs, advertising and promotional techniques, products or service specifications, and all other components, specifications and standards which comprise (or in the future may comprise) part of the System.

18.2 Cancellation of Name

Upon termination or expiration of this Agreement, you shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains any name or mark identical or similar to “1-800-JUNKPRO” or any other name, trademark or service mark of ours, and you

shall furnish us with proof of discharge of this obligation within thirty (30) days following the termination or expiration of this Agreement.

18.3 We are Attorney-in-Fact

We may, if you fail or refuse to do so, execute in your name and on your behalf any and all documents necessary to cause discontinuation of your use of the name “1-800-JUNKPRO” or any other related or similar name or use thereunder, and we are hereby irrevocably appointed by you as your attorney-in-fact to do so.

18.4 Continuation of Obligations

The expiration or termination of this Agreement shall be without prejudice to our rights against you, and such expiration or termination shall not relieve you of any of your obligations to us existing at the time of expiration or termination or terminate those obligations of yours which by their nature survive the expiration or termination of this Agreement.

18.5 Cease Using Telephone Numbers and Listings

Upon termination or expiration of this Agreement, you shall cease and desist from using the 1-800 telephone number and any other telephone number(s) listed in any telephone directory under the name “1-800-JUNKPRO” or any other name similar thereto and, upon our demand, shall direct the telephone company servicing the Franchised Business to transfer said telephone number(s) to us, or to such other person or persons at such location or locations as we shall direct. In addition, you shall cease and desist from using any website, domain name, URL or internet listing related to the Proprietary Marks and shall direct the internet service provider servicing the Franchised Business to transfer said websites and listings to us, or to such other person or persons at such location or locations as we shall direct.

18.6 Payment of Sums Due

Upon termination or expiration of this Agreement, you shall promptly pay all sums owing to us (and our subsidiaries, affiliates or designees). In the event of termination based upon your default, such sums shall include all damages, costs and expenses (including actual attorneys’ fees) incurred by us as a result of the default. The obligation created hereunder shall give rise to and remain, until paid in full, a lien in our favor against any and all of the personal property, furnishings, equipments, signs, inventory, fixtures or other assets owned by you at the time of default.

18.7 Post-Term Covenants

Upon termination or expiration of this Agreement, you shall comply with the post-term covenants not to compete set forth in Article 15 hereof.

18.8 Our Right to Purchase

Upon termination or expiration of this Agreement for any reason whatsoever, we or our designee shall have the option (but not the obligation) for a period of sixty (60) days from such termination or expiration to purchase all or a portion of your right, title and interest in the Franchised Business (including, without limitation, inventory and supplies) for a purchase price (the “Purchase Price”) equal to the lesser of: (i) the depreciated book value of all tangible assets in place and owned by you as of the date of our (or our designee’s) exercise of such option; or (ii) the fair market value of all such assets as determined by the application of generally accepted accounting principles less the total of (a) the amount of any indebtedness remaining against or secured by any such assets; (b) the amount of any indebtedness or obligation owed by you to us, our affiliates, subsidiaries or designees; (c) the amount of any

indebtedness or obligation for which you or the Franchised Business are liable (directly or indirectly, contingently or otherwise) and for which we are or may become liable (directly or indirectly, contingently or otherwise) upon acquiring the Franchised Business or otherwise; and (d) all amounts advanced by us, or which we have paid, or which we have become obligated to pay, on your behalf for any reason whatsoever (including, without limitation, interim sums required to be advanced for operations prior to the date of our (or our designee's) exercise of the option granted hereunder).

18.8.1 If the parties cannot agree upon the Purchase Price within a reasonable time, an independent appraiser shall be designated by us, and his determination of the Purchase Price shall be binding on us and you. The cost of such appraisal shall be borne by you.

18.8.2 If we exercise our option to purchase the Franchised Business, the Purchase Price shall be payable as follows:

(a) Ten percent (10%) of the Purchase Price shall be paid at the closing of the purchase transaction by bank or certified check.

(b) The balance of the Purchase Price shall be paid over a period of three (3) years in thirty-six (36) equal monthly installments, the first monthly installment being made on the tenth (10th) day of the month following the month in which the initial payment is made. The obligation to make monthly installment payments shall be evidenced by a series of thirty-six (36) negotiable promissory notes of ours payable to the order of you, each bearing interest from the date of the closing at the published "Prime Rate" charged by Chase Manhattan Bank, New York, New York, to its most substantial commercial clients and containing provisions to the effect that should any note be unpaid for more than ten (10) days after written notice of default, the remaining notes shall forthwith become due and payable without any further notice; provided, however, that we or any holder in due course shall have the right at any time after the calendar year in which the closing takes place to prepay the notes in multiples of One Thousand Dollars (\$1,000) in inverse order of maturity, together with interest to the date of payment.

18.8.3 If we exercise our option to purchase the Franchised Business, you agree fully to cooperate in effectuating such transaction and undertakes to use your best efforts to provide us and our designees with all such data and documentation as reasonably may be required to give effect to the purposes of this Section.

18.8.4 In the event we do not elect to exercise the foregoing option to purchase the Franchised Business, you shall immediately return to us all materials which bear any of the Proprietary Marks, trade names or copyrighted material. You shall also destroy any and all materials not otherwise required to be returned to us in accordance with this Agreement or the Operations Manual. Contemporaneously, you shall return to us all copies in your possession of materials and documents (including, among other things, the Operations Manual, corporate records and files, correspondence, brochures, agreements, and disclosure statements) relating to the grant or operation of the Franchised Business.

18.9 Discontinue Use; Modification

Upon expiration or termination, you shall immediately discontinue the use of each and every aspect of the Proprietary Properties, including the Proprietary Marks and trade dress, the custom designs on vehicles, advertisements, brochures, tee shirts, clothing, or any other article of commercial or other use, and Know How, and thereafter shall no longer use or have the rights to use the Proprietary

Properties, or any colorable or confusingly similar variations thereof, or any word, logo or figure similar to the Proprietary Marks or Know How. In the event of expiration or termination, you will be responsible for the payment of all legal fees, court costs, collection fees and interest incurred in enforcing this Agreement. In the event of any litigation between the parties hereto with respect to the subject matter hereof, the party in any such litigation in whose favor a judgment is entered shall be entitled to have and recover, and the other party agrees to pay, its reasonable attorneys' fees and expenses, in addition to any award to which may be otherwise entitled. In addition, you understand and agree that you shall immediately repaint any and all Service Vehicles that show markings similar to, or that would cause confusion of the public as misrepresenting, any connection to us or the System.

18.10 Liquidated Damages

Upon termination of this Agreement by us for cause, you agree to pay to us within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly Royalty Fee you paid or owed to us during the twelve (12) months immediately preceding termination multiplied by (a) twenty-four (24), being the number of months in two (2) full years, or (b) the number of months remaining in the Agreement had it not been terminated, whichever is greater.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages. The parties hereto further acknowledge and agree that this liquidated damages provision applies if we terminate this Agreement due to your willful non-compliance with the terms of and its obligations under this Agreement, your failure to cure a material default within the timeframes required herein, and your repeated, willful defaults of this Agreement.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

ARTICLE 19 **MODIFICATION OF SYSTEM**

19.1 You understand and agree that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other market place variables, and if it is to best serve the interests of us, you, and the network of all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System, including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer; modifying or substituting entirely the building, premises, vehicles, equipment, signage, trade dress, decor, color schemes and uniform specifications and all other unit construction, design, appearance and

operation attributes which you are required to observe hereunder; and changing, improving, modifying or substituting the Proprietary Properties. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations; provided, however, that such changes shall not materially and unreasonably increase your obligations hereunder.

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

Notwithstanding the foregoing, you shall be obligated to replace your Service Vehicle as described in Section 9.5.

19.2 Except as provided herein, we shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, you expressly waive any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

ARTICLE 20 **DISPUTE RESOLUTION**

20.1 Severability and Substitution of Valid Provisions

Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto; otherwise upon your receipt of written notice of non-enforcement thereof from us. If any covenant herein which restricts competitive activity is deemed enforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof, you and we agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to enter into a successor franchise agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and we shall have the right, in our sole discretion, to modify such invalid or enforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Such modification(s) to this Agreement shall be effective only in such jurisdiction, unless we elect to give it greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions. You agree to be bound by any such modification to this Agreement.

20.2 Waiver of Obligations

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal or neglect of us or you to exercise any rights under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to other 1-800-JUNKPRO Franchised Businesses; or our acceptance of any payments due from you after any breach of this Agreement.

Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (3) acts of God; (4) fires, strikes, embargoes, war or riot; or (5) any other similar event or cause. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes shall not excuse payments of amounts owed at the time of such occurrence or payment of Royalty Fees, Brand Development Fees, Sales Center Cooperative Fees, or other payments due thereafter.

20.3 Injunctive Relief

Either party may institute in a court of competent jurisdiction an action or actions for temporary or preliminary injunctive relief. You agree that we may have such temporary or preliminary injunctive relief without bond, but upon due notice, and your sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

20.4 Rights of Parties are Cumulative

Our and your rights hereunder are cumulative and no exercises or enforcement by us or you of any right or remedy hereunder shall preclude the exercise or enforcement by us or you of any other right or remedy hereunder or which we or you are entitled by law to enforce.

20.5 Costs and Attorneys' Fees

If we incur expenses in connection with your failure to pay when due amounts to us, to submit when due any reports, information or supporting records or otherwise to comply with this Agreement, you shall reimburse us for any such costs and expenses which we incur, including but not limited to reasonable legal, arbitrators', accounting and related fees.

20.6 Litigation, Waiver of Jury Trial; Limitation of Damages, etc.

The parties agree that any litigation between you and us (and/or involving any principal of yours or which could be brought by you or on your behalf and including matters involving any of our related entities or otherwise), whether involving any litigation, dispute, controversy, claim, proceeding or otherwise between or involving you and us or otherwise, will be held exclusively before a court in the most immediate provincial judicial district and court encompassing our headquarters and having subject matter jurisdiction, the parties consenting to the exclusive jurisdiction of such court(s) and WAIVING ALL RIGHTS TO TRIAL BY JURY. You irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such court.

THE PARTIES AGREE THAT IN ANY LITIGATION BETWEEN US AND YOU (AND/OR ANY PRINCIPAL OF YOURS OR WHICH COULD BE BROUGHT BY YOU OR ON YOUR BEHALF) THE PARTIES KNOWINGLY WAIVE ALL RIGHTS TO TRIAL BY JURY. IN ANY ARBITRATION, LITIGATION OR OTHERWISE, THE PARTIES WAIVE ALL RIGHTS TO PUNITIVE, EXEMPLARY, MULTIPLE, PAIN-AND-SUFFERING, MENTAL DISTRESS OR SIMILAR DAMAGES AND AGREE THAT THE PARTIES MAY ONLY RECOVER ACTUAL FINANCIAL LOSSES.

20.7 Governing Law

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*) or other federal law, this Agreement, the Franchise and the relationship of the parties shall be governed by the laws of the State of Kansas, without regard for its conflicts of laws principles.

20.8 You May Not Withhold Payments

You agree that you will not, on grounds of our alleged nonperformance of any of our obligations hereunder, withhold payment of any Royalty Fees, Brand Development Fees, Sales Center Cooperative Fees, amounts due to us for purchases by you or any other amounts due to us.

20.9 Binding Effect

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Subject to our right to modify the Operations Manual, this Agreement shall not be modified except by written agreement signed by you and us.

20.10 Limitations of Claims

20.10.1 The parties agree that, except as provided below, no action or suit (whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise) by either party will lie against the other (nor will any action or suit by you against any person and/or entity affiliated with us), whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other claim of any type, unless such party will have commenced such arbitration proceeding, action or suit before the expiration of the earlier of:

(a) One hundred eighty (180) days after the date upon which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or

(b) One (1) year after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

20.10.2 Notwithstanding the foregoing limitations, where any federal, state or provincial law provides for a shorter limitation period than above described, whether upon notice or otherwise, such shorter period will govern.

20.10.3 The foregoing limitations may, where brought into effect by our failure to commence an action within the time periods specified, operate to exclude our right to sue for damages but will in no case, even upon expiration or lapse of the periods specified or referenced above, operate to prevent us from terminating your rights and our obligations under this Agreement as provided herein and under applicable law nor prevent us from obtaining any appropriate court judgment, order or otherwise which enforces and/or is otherwise consistent with such termination.

20.10.4 The foregoing limitations shall not apply to our claims arising from or related to: (1) your under-payment or non-payment of any amounts owed to us or any affiliated or otherwise related entity; (2) indemnification by you; (3) your confidentiality, non-competition or other exclusive relationship obligations; and/or (5) your unauthorized use of the Proprietary Marks or the System.

20.11 Construction

The preambles and exhibits are a part of this Agreement, which together with the Operations Manual, constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. The term “Franchisee” as used herein is applicable to one or more persons, a corporation, limited liability company or a partnership, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Franchisee hereunder, their obligations and liabilities to us shall be joint and several. References to “Franchisee” and “transferee” which are applicable to an individual or individuals shall mean the principal owner(s) of the equity or operating control of Franchisee or the transferee, if Franchisee or the transferee is a corporation, limited liability company or partnership. References to “controlling interest” in Franchise shall mean greater than fifty percent (50%) of the equity or voting control of Franchisee. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any action or request by you, we have the absolute right to refuse any request by you or to withhold our approval of any action by you that requires our approval. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

20.12 Withholding Consent

In no event will you make any claim, whether directly, by way of setoff, counter-claim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by us.

ARTICLE 21
GENERAL PROVISIONS

21.1 Relationship; Acknowledgments

You and we agree that there does not exist any fiduciary, trust or similar relationship between you and us, that the relationship between you and us is a normal commercial relationship between independent businesspeople intended for mutual but independent economic benefit, and is not in any sense nor is intended to be a fiduciary, trust or similar relationship.

21.1.1 You acknowledge that you and each of your owners (if you are a corporation, limited liability company or partnership) and investors have read this Agreement and our Disclosure Document and all exhibits, and that you and your owners understand and accept the terms, conditions, and covenants contained in this Agreement as being necessary to maintain our high standards of quality and service and the uniformity of those standards at all “1-800-JUNKPRO” businesses and thereby to protect and preserve the goodwill of the Proprietary Marks and the System.

21.1.2 You and we, each agreeing on the critical practical business importance of their relationship being governed solely by written documents signed by you and us (including any concurrently executed written personal guarantees, Franchisee Disclosure Acknowledgment Statement, and/or exhibits, schedules, addenda, or other written documents signed by the party to be bound thereby, all of which will be deemed to be part of this Agreement for the purposes of this Section 21.1.2) and not wishing to create misunderstandings, confusion and possible conflict through reference to any alleged prior and/or contemporaneous oral and/or written representations, understandings, agreements or otherwise, jointly intend and agree that (i) this Agreement contains the final, complete and exclusive expression of the terms of the parties’ agreement and entirely supersedes and replaces any and all prior and/or concurrent understandings, agreements, inducements, prior course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) between you and us, (ii) there are no prior and/or concurrent understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) which are not fully expressed in this Agreement, and (iii) no prior and/or concurrent understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) of any kind or nature whatsoever have been made by us or anyone else, nor have been relied upon by you nor will have any force or effect. We expressly disclaim any understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights of first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) which are not fully expressed in this Agreement. Nothing in this or any related agreement, however, is intended to disclaim the representations made by us in the Franchise Disclosure Document that was furnished to you by us.

21.1.3 You acknowledge and represent that you have not been promised, nor have we or any of our representatives, employees or agents made any promises, representations and/or warranties, nor have you received or relied on any promises, representations or warranties, that (i) any payments by you are refundable at your option, (ii) we will repurchase any rights granted hereunder (or any associated business) or will be able to assist you in any resale, (iii) you will succeed in the Franchised Business, (iv) you will achieve any particular sales, income or other levels of performance, (v) you will have any exclusive rights of any type other than as specifically set forth herein, or (vi) you will receive any level of advertising (television or otherwise), marketing assistance, site location, development or other services,

operational assistance or otherwise other than as expressly set forth in this Agreement. No contingency, condition, prerequisite, prior requirement, or otherwise (including, but not limited to, obtaining financing, obtaining a site or otherwise) exists with respect to you fully performing any or all of your obligations under this Agreement.

21.1.4 You have not received or relied on (nor have we or any of our representatives, employees or agents provided) any: sales, income or other projections of any kind or nature or any statements, representations, data, charts, tables, spreadsheets or mathematical calculations or otherwise which stated or suggested any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise, and neither we nor any of our representatives, employees or agents made, nor have you relied on, any promises, representations or warranties as to any profits you may realize in the operation of the Franchised Business, nor have you received or relied on any representations regarding any working capital or other funds necessary to reach any “break-even” or any other financial level. We are unable, and do not attempt, to predict, forecast or project future performance, revenues, profits or otherwise of any Franchised Business. If any such information, promises, representations and/or warranties has been provided to you, it should not be relied on, we will not be bound by it, and if you do rely on such information, promises, representations and/or warranties, you do so at your own risk.

21.1.5 You acknowledge and agree that the success of the business venture contemplated to be undertaken hereunder is speculative, is and will be dependent upon your personal efforts, that entry into any business enterprise is always associated with risk and that no assurance of success has been or can be given to you. You acknowledge and represent that you have entered into this Agreement and made an investment only after (i) making an independent investigation of the opportunity, including having received a list, in connection with the presentation of our Disclosure Document, of (and having spoken with) other franchisees currently operating “1-800-JUNKPRO” businesses (if applicable), and (ii) having had an opportunity to have this transaction and all related documents reviewed by an attorney and a financial advisor of your own choosing, such review having been strongly recommended by us. You acknowledge that you and each person signing as Franchisee (and/or having any investment and/or interest in the Franchised Business) have received, reviewed, understood and fully read and all questions have been answered regarding a copy of our Disclosure Document with all exhibits at least fourteen (14) calendar days prior to the earlier of your and/or any such person (a) signing any binding documents or (b) paying any sums.

21.1.6 You understand that we are relying on you to bring forward in writing at this time any matters inconsistent with any of the matters set forth in this Article 21 or otherwise so that we can correct any misunderstandings and you agree that if any of the statements or matters set forth in this Article 21 or otherwise are not true, correct and complete, you will make a written statement regarding such next to your signature below so that we may address and resolve any such issue(s) at this time and before either party goes forward.

21.1.7 You acknowledge and agree that in all of your dealings with us, our officers, directors, employees, and agents acted only in a representative capacity and not in an individual capacity. You further acknowledge that this Agreement, and all business dealings between you and such individuals as a result of this Agreement, are solely between you and us. You further represent to us, as an inducement to our entry into this Agreement, that you have made no misrepresentations in obtaining the Franchised Business.

21.2 Notices

Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein shall be in writing, signed by the party giving the same, and personally delivered or deposited in the United States mail, first-class postage prepaid, certified mail, return receipt requested and electronically as follows:

To Us: 1-800-JUNKPRO, LLC
608 South Ramsey Drive
Valley Center, Kansas 67147
Facsimile: (316) 943-7669

With a copy to: Harold L. Kestenbaum, Esq.
Gordon & Rees LLP
90 Merrick Avenue, Suite 601
East Meadow, New York 11554
Facsimile: (516) 745-0293

To You: _____

Facsimile: _____

Either party may change its address for notice purposes by giving the other party written notice, as herein provided, of such change.

21.3 Gender

Reference to Franchisee as male, female, or no gender shall include male or female franchisee, general or limited partnership, joint venture, corporation, trust, or any other association or business entity, as relevant in the context.

21.4 Headings

Headings and captions contained herein are for convenience of reference only and shall not be taken into account in construing or interpreting this Agreement.

21.5 References

Any reference herein to any paragraph or other part of this Agreement shall be deemed to include a reference to every subordinate part and/or subparagraph thereof.

21.6 Time of the Essence

It is acknowledged and agreed by both parties that any delay in the performance of its obligations hereunder would irreparably and irrevocably injure the other party in the conduct of its business and the value of its property. The parties therefore agree that time is of the essence of this Agreement. Except as otherwise specifically permitted herein, no extension of time shall be implied, nor any delay allowed, in the timely and complete performance of all covenants herein contained.

21.7 Survival of Terms

Each provision of this Article 22 and those provisions hereinabove provided relating to covenants against post-termination/expiration use of the Proprietary Marks, Know How, Copyrights and Software will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of it) for any reason, will survive and will govern any claim for rescission or otherwise. Each provision of this Agreement will be construed as independent of, and severable from, every other provision; provided that if any part of this Agreement is deemed unlawful in any way, the parties agree that such provision will be deemed interpreted and/or modified to the minimum extent necessary to make such provision lawful or, if such construction is not permitted or available, the remainder of this Agreement will continue in full force and effect. Each party reserves the right to challenge any law, rule or judicial or other construction which would have the effect of varying or rendering ineffective any provision of this Agreement.

21.8 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

21.9 Step-In Rights

If we determine in our sole judgment that the operation of the Franchised Business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, you authorize us to operate your business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your Business; or we determine that operational problems require that Franchisor operate Franchisee's Business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the Franchised Business as a going concern.

We shall keep in a separate account all monies generated by the operation of your Business, less the expenses of the Franchised Business, including reasonable compensation and expenses for our representatives. In the event of our exercise of the Step-In Rights, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

ARTICLE 22
SECURITY INTEREST

22.1 Collateral

You grant to us a security interest (“Security Interest”) in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Business, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Business. All items in which a security interest is granted are referred to as the “Collateral”.

22.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the “Indebtedness”):

22.2.1 All amounts due under this Agreement or otherwise by you;

22.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

22.2.3 All expenses, including reasonable attorneys’ fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

22.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

22.2.5 Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Business, including, but not limited to, a real property mortgage and equipment leases.

22.3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

22.4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

22.5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Kansas (or

other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

22.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

**ARTICLE 23
SUBMISSION OF AGREEMENT**

The submission of this Franchise Agreement to you does not itself constitute an offer to sell a franchise. This Franchise Agreement shall become effective only upon the execution thereof by us and you.

I HAVE READ THE FOREGOING AGREEMENT AND I HEREBY AGREE TO AND ACCEPT EACH AND ALL OF THE PROVISIONS.

ATTEST

FRANCHISEE

By: _____

By: _____

Name: _____

Title: _____

Dated: _____

1-800-JUNKPRO, LLC

By: _____

By: _____

Name: _____

Title: _____

Dated: _____

**Exhibit A to the
1-800-JUNKPRO, LLC Franchise Agreement**

**APPROVED LOCATION; DESIGNATED TERRITORY; and
SERVICE VEHICLE ROLL-OUT SCHEDULE**

The Approved Location for the Franchised Business is: _____

The Designated Territory includes the following Zones: _____

The Service Vehicle Roll-Out Schedule is as follows:

- 2 to 4 Zones – start with or have a minimum of two service vehicles in your fleet*
- 5 to 6 Zones – start with or have a minimum of three service vehicles in your fleet*
- 7 to 8 Zones – start with or have a minimum of four service vehicles in your fleet*
- 9 to 12 Zones – start with or have a minimum of five service vehicles in your fleet*
- More than 12 Zones – start with or have a minimum of six service vehicles in your fleet*

* If your existing fleet of service vehicles averages three jobs per day over a 14 day period, you must add another service vehicle to your fleet, and we may require you to have one service vehicle for each Zone you own. If your fleet includes one service vehicle per Zone, you may purchase or lease additional service vehicles as you determine is necessary.

You and we agree to execute updated versions of this Exhibit A as necessary in the event of any addition or deletion of Zones, amendments to the Truck Roll-Out Schedule, etc.

1-800-JUNKPRO, LLC

By: _____

Name: _____

Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

**Exhibit B to the
1-800-JUNKPRO, LLC Franchise Agreement**

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, 1-800-JUNKPRO, LLC (the “**Franchisor**”) and you are preparing to enter into a franchise agreement (the “**Franchise Agreement**”) for the establishment and operation of a “1-800-JUNKPRO” Business (the “**Franchised Business**”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by existing franchisees, 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 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 or representative of the Franchisor. 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 the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor representative on _____, 20____.

3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No _____

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

8. 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 _____

9. 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 _____

10. 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 Disclosure Document?

Yes _____ No _____

11. 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 Disclosure Document?

Yes _____ No _____

12. 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 Disclosure Document?

Yes _____ No _____

13. 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 Disclosure Document?

Yes _____ No _____

14. 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 _____

15. 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 Disclosure Document or franchise agreement?

Yes _____ No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18. 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 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if

necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

I signed the Franchise Agreement and Addendum (if any) on _____, 20____, 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 that:

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 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 any franchise broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including any franchise 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 those contained in the Disclosure Document, please describe those in the space provided below or write "None".

C. 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
INDIVIDUAL

Sign here if you are taking the franchise as a
**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

Signature

Print Name of Legal Entity

Print Name _____

By: _____
Signature

Signature

Print Name _____

Print Name _____

Title _____

Signature

Print Name _____

Signature

Print Name _____

**Exhibit C to the
1-800-JUNKPRO, LLC Franchise Agreement**

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
**(for trained employees, shareholders, officers, directors,
general partners, members and managers of Franchisee)**

In consideration of my being a _____ of _____ (“Franchisee”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _____, 20__ (the “Franchise Agreement”), Franchisee has acquired the right and franchise from 1-800-JUNK PRO, LLC (the “Company”) to establish and operate a 1-800-JUNKPRO business (the “Franchised Business”) and the right to use in the operation of the Franchised Business the Company’s trade names, service marks, trademarks, logos, emblems, and indicia of origin (the “Proprietary Marks”), as they may be changed, improved and further developed from time to time in the Company’s sole discretion, only at the following authorized and approved location: _____ (the “Approved Location”).

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the “System”) relating to the establishment and operation of Franchised Businesses, which provide full-service junk removal services. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the “Confidential Information”).

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company’s Confidential Operations Manuals (the “Manuals”), and other general assistance during the term of the Franchise Agreement.

5. 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 of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, 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 Company as confidential. Unless the Company 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.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any retail business or e-commerce business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products offered by a Franchised Business (a "Competitive Business"); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within:

7.1 Franchisee's Territory, as defined in the Franchise Agreement ("Franchisee's Territory");

7.2 Fifty (50) miles of Franchisee's Territory; or

7.3 Fifty (50) miles of any Franchised Business operating under the System and the Proprietary Marks.

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

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 unappealed final decision to which the Company 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 Company 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 Company 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 Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company 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 Company, any claim I have against the

Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State of Kansas. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature

Name

Address

Title

ACKNOWLEDGED BY FRANCHISEE

By: _____

Name: _____

Title: _____

**Exhibit D to the
1-800-JUNKPRO, LLC Franchise Agreement**

INTERNET WEB SITES AND LISTINGS AGREEMENT

THIS INTERNET WEB SITES AND LISTINGS AGREEMENT (the “Internet Listing Agreement”) is made and entered into as of the ____ day of _____, 20__ (the “Effective Date”), by and between 1-800-JUNKPRO, LLC, a Delaware limited liability company (the “Franchisor”), and _____, a _____ (the “Franchisee”).

WITNESSETH:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a 1-800-JUNKPRO business (the “Franchise Agreement”); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 **Interest in Internet Web Sites and Listings.** Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the “Internet Web Sites and Listings”) related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as “Franchisee’s Interest”).

2.2 **Transfer.** On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the “Internet Companies”) with which Franchisee has Internet Web Sites and Listings: (i) to transfer all of Franchisee’s Interest in such Internet Web Sites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee will immediately direct the Internet Companies to terminate

such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor;

2.3.2 Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings; and

2.3.3 Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and

expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Internet Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Internet Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

3.9 Governing Law. This Internet Listing Agreement shall be governed by and construed under the laws of the State of Kansas, without regard to the application of Kansas conflict of law rules.

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:
1-800-JUNKPRO, LLC

FRANCHISEE:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the “Telephone Listing Agreement”) is made and entered into as of the ____ day of _____, 20__ (the “Effective Date”), by and between 1-800-JUNKPRO, LLC, a Delaware limited liability company (the “Franchisor”), and _____, a _____ (the “Franchisee”).

WITNESSETH:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a 1-800-JUNKPRO business (the “Franchise Agreement”); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 **Interest in Telephone Numbers and Listings.** Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the “Telephone Numbers and Listings”) related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as “Franchisee’s Interest”).

2.2 **Transfer.** On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee’s Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.3 **Appointment; Power of Attorney.** Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee’s true and

lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages,

claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Telephone Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several.

3.9 Governing Law. This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Kansas, without regard to the application of Kansas conflict of law rules.

The parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

FRANCHISOR:
1-800-JUNKPRO, LLC

FRANCHISEE:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**Exhibit E to the
1-800-JUNKPRO, LLC Franchise Agreement**

GUARANTY

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement, and any revisions, modifications and amendments thereto (hereinafter collectively the "Agreement") dated _____, 20____, by and between 1-800-JUNKPRO, LLC, a Delaware limited liability company (hereinafter the "Franchisor"), and _____ (hereinafter the "Franchisee"), each of the undersigned Guarantors agrees as follows:

1. The Guarantors do hereby jointly and severally unconditionally guaranty the full, prompt and complete performance of the Franchisee under the terms, covenants and conditions of the Agreement, including, without limitation, the complete and prompt payment of all indebtedness to the Franchisor under the Agreement. The word "indebtedness" is used herein in its most comprehensive sense and includes, without limitation, any and all advances, debts, obligations and liabilities of the Franchisee, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable.

2. The obligations of the Guarantors are independent of the obligations of the Franchisee and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against the Franchisee or whether the Franchisee is joined in any such action.

3. If the Franchisee is a corporation, partnership or limited liability company, the Franchisor shall not be obligated to inquire into the power or authority of the Franchisee or its partners or the officers, directors, agents, members or managers acting or purporting to act on the Franchisee's behalf and any obligation or indebtedness made or created in reliance upon the exercise of such power and authority shall be guaranteed hereunder. Where the Guarantors are corporations or partnerships, it shall be conclusively presumed that the Guarantors and the partners, agents, officers and directors acting on their behalf have the express authority to bind such corporations or partnerships and that such corporations or partnerships have the express power to act as the Guarantors pursuant to this Guaranty and that such action directly promotes the business and is in the interest of such corporations or partnerships.

4. The Franchisor, its successors and assigns, may from time to time, without notice to the undersigned: (a) resort to the undersigned for payment of any of the indebtedness, whether or not it or its successors have resorted to any property securing any of the indebtedness or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the indebtedness; (b) release or compromise any indebtedness of any of the undersigned hereunder or any indebtedness of any party or parties primarily or secondarily liable on any of the indebtedness; (c) extend, renew or credit any of the indebtedness for any period (whether or not longer than the original period); (d) alter, amend or exchange any of the indebtedness; or (e) give any other form of indulgence, whether under the Agreement or otherwise.

5. The undersigned further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies

between the Franchisee and the Franchisor resulting from the Agreement or otherwise, and the settlement, compromise or adjustment thereof.

6. This Guaranty shall be enforceable by and against the respective administrators, executors, successors and assigns of the Guarantors and the death of any Guarantor shall not terminate the liability Guarantor or limit the liability of the other Guarantors hereunder.

7. If more than one person has executed this Guaranty, the term the "undersigned" as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty under seal effective as of the ____ day of _____, 20__.

Signature of Guarantor

Signature of Guarantor

Printed Name

Printed Name

Home Address

Home Address

Home Telephone

Home Telephone

Business Telephone

Business Telephone

Date

Date

**Exhibit F to the
1-800-JUNKPRO, LLC Franchise Agreement**

SALES CENTER AGREEMENT

THIS SALES CENTER AGREEMENT dated _____, 20____, is by and between 1-800-JUNKPRO, LLC, a Delaware limited liability company with its principal offices located at 608 South Ramsey Drive, Valley Center, Kansas 67147 (the “Company”) and the party signing this Agreement as the “Franchisee” on the signature page hereto (the “Franchisee”).

W I T N E S S E T H:

WHEREAS, the Company owns and operates a Sales Center that provides scheduling, dispatching, trouble shooting, client service, and promotional services to “1-800-JUNKPRO” businesses (the “Sales Center”); and

WHEREAS, the Franchisee has entered into a Franchise Agreement with the Company to enable the Franchisee to own and operate a “1-800-JUNKPRO” franchise (the “Franchise Agreement”); and

WHEREAS, in order to effectively operate the franchise, the Company requires each of its franchisees, including the Franchisee, to utilize the Sales Center and enter into a Sales Center Agreement with the Company as provided herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Engagement. During the Term (as hereinafter defined), the Company shall provide to the Franchisee the Sales Center Services (as hereinafter defined), for the fees described in Section 4 hereof.
2. Sales Center Services. During the Term, the Company shall provide to the Franchisee such of the following services (collectively, the “Sales Center Services”):
3. Scheduling/Dispatching. The Sales Center shall host a dedicated telephone number, website, and an e-mail address through which all clients of the Company shall schedule, reschedule, cancel and inquire about estimates and service calls. Service requests shall be distributed to the Franchisee based on (i) geographic location of the client and (ii) Franchisee/client scheduling availability. All current date cancellations and emergency services will be dispatched from the Sales Center to the Franchisee via e-mail to phone or wireless PDA, phone call to wireless cell phone, or another designated method. All non-emergent services will be posted to the Franchisee’s work order list in “real-time.” The Franchisee may log into our company database to view its work orders at any time. The Company and the Franchisee shall use their commercially reasonable best efforts and technological resources to schedule the most efficient travel routes and time availability to decrease wasted travel time.
4. Client Service. The Sales Center shall receive, record, research and assist in resolving any basic client complaints and concerns. All in-depth issues will be forwarded to the Franchisee for immediate resolution. The Sales Center shall provide copies of any invoices or service tickets to the client via mail, fax or e-mail at no additional charge to the Franchisee. The Sales Center will conduct courtesy quality service follow-up calls and emails to confirm the price charged (accurate reporting) and to monitor quality control.

5. Promotional. The Sales Center shall manage and orchestrate any promotional programs designated by the Franchisor.

Sales Center Services shall not include legal and accounting services.

The Sales Center will provide performance reports for business improvement purposes.

The Sales Center will also catalogue all non-booked leads and will identify potential commercial clients for follow-up by franchisee.

6. Franchisee Responsibilities. Franchisee shall, at all times during the term of Franchisee's Franchise Agreement with Franchisor, refer all jobs and inquiries for jobs to the Sales Center for both scheduling and follow-up. Franchisee shall not perform any jobs that have not been provided to the Sales Center. Franchisee is required to attempt to complete all jobs and/or appointments that are scheduled by the Sales Center for Franchisee, including emergency and non-emergency inquiries. The Sales Center will request that Franchisee follow-up with a client or potential client, and Franchisee shall report to the Sales Center the results of such follow-up. Franchisee shall keep the Sales Center apprised of the status of each job, appointment, inquiry, and/or follow-up.

7. Sales Center Fees.

In consideration for the provision of Sales Center Services hereunder, the Franchisee shall pay to the Company a Sales Center Administration Fee as set forth in the Franchise Agreement.

8. Payment Terms. All fees to be paid hereunder shall be paid pursuant to the terms of the Franchise Agreement between Franchisee and the Company.

9. Term. Except as otherwise provided herein, this Agreement shall be for a term commencing on the date hereof and running concurrently with the term of the Franchise Agreement (the "Initial Term"). The Initial Term shall be renewed when the Franchise Agreement is renewed and the renewal term for this Agreement shall be the same term as for the renewal Franchise Agreement (the Initial Term and any such renewal thereof are hereinafter collectively referred to as the "Term").

10. Role of Franchisor. The Franchisor shall monitor all client service issues and requests on a daily basis to maintain quality control and protect the franchise "system" and name.

11. Limitations.

(a) Liability. THE COMPANY MAKES NO REPRESENTATIONS, WARRANTIES OR GUARANTEES, EITHER EXPRESS OR IMPLIED, CONCERNING THE SALES CENTER SERVICES PROVIDED UNDER THIS AGREEMENT, AND EXPRESSLY DISCLAIMS ANY WARRANTIES OF FITNESS FOR A PARTICULAR USE OR PURPOSE, THE WARRANTY OF MERCHANTABILITY AND ANY OTHER WARRANTY IMPLIED BY LAW. THE COMPANY'S LIABILITY TO THE FRANCHISEE ON ACCOUNT OF ANY ACTS OR OMISSIONS RELATING TO THIS AGREEMENT SHALL BE LIMITED TO PROVEN DIRECT DAMAGES IN AN AGGREGATE AMOUNT NOT TO EXCEED THE AMOUNTS PAID BY THE FRANCHISEE FOR SALES CENTER SERVICES DURING THE TWELVE (12) MONTH PERIOD PRECEDING THE INCIDENT GIVEN RISE TO THE CLAIM FOR DAMAGES, IN NO EVENT TO EXCEED AN AGGREGATE OF \$37,500.00. THE COMPANY SHALL NOT BE LIABLE FOR INDIRECT,

INCIDENTAL, CONSEQUENTIAL, RELIANCE OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR HARM TO BUSINESS, LOST PROFITS, LOST SAVINGS OR LOST REVENUES, WHETHER OR NOT THE COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE COMPANY SHALL NOT BE RESPONSIBLE FOR LOST SERVICES OR REVENUES DUE TO MISCOMMUNICATIONS, WEATHER, SERVICE OUTAGES, INFORMATIONAL TECHNOLOGY UPGRADES OR DOWNGRADES, ACTS OF GOD OR FIRE. THE COMPANY DOES NOT GUARANTEE TO PROVIDE MARKETING OR GENERATE ANY LEADS TO THE FRANCHISEE. THE COMPANY SHALL NOT BE LIABLE FOR ANY DAMAGE THAT THE FRANCHISEE MAY SUFFER ARISING OUT OF USE, OR INABILITY TO USE, THE SALES CENTER SERVICES PROVIDED HEREUNDER UNLESS SUCH DAMAGE IS CAUSED BY THE WILLFUL MISCONDUCT OF THE COMPANY.

(b) Remedies. THE COMPANY SHALL NOT BE LIABLE FOR UNAUTHORIZED ACCESS BY THIRD PARTIES TO THE FRANCHISEE'S TRANSMISSIONS. EXCEPT AS EXPRESSLY SET FORTH IN OR CONTEMPLATED BY THIS AGREEMENT, IN ANY INSTANCE INVOLVING PERFORMANCE OR NONPERFORMANCE BY THE COMPANY WITH RESPECT TO SALES CENTER SERVICES PROVIDED HEREUNDER, **THE FRANCHISEE'S SOLE REMEDY SHALL BE REFUND OF A PRO RATA PORTION OF THE PRICE PAID FOR SALES CENTER SERVICES WHICH WERE NOT PROVIDED. AT THE OPTION OF THE COMPANY, EXCEPT AS EXPRESSLY SET FORTH IN OR CONTEMPLATED BY THIS AGREEMENT, IN THE CASE OF REFUND FOR LOST SERVICES, CREDIT WILL BE ISSUED ONLY FOR PERIODS OF LOST SERVICE GREATER THAN TWENTY-FOUR (24) HOURS.** THESE LIMITATIONS OR LIABILITY SHALL APPLY REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, WARRANTY, STRICT LIABILITY OR TORT, INCLUDING WITHOUT LIMITATION NEGLIGENCE OF ANY KIND, WHETHER ACTIVE OR PASSIVE, AND SHALL SURVIVE.

(c) Failure of an Exclusive Remedy. THE COMPANY SHALL NOT BE RESPONSIBLE FOR (1) SERVICE IMPAIRMENTS CAUSED BY ACTS WITHIN THE CONTROL OF THE FRANCHISEE, ITS EMPLOYEES, AGENTS, SUBCONTRACTORS, SUPPLIERS OR LICENSEES, (2) INABILITY OF THE FRANCHISEE TO ACCESS OR INTERACT WITH ANY OTHER SERVICE PROVIDERS OR USERS, OR (3) SERVICES PROVIDED BY OTHER SERVICE PROVIDERS.

12. Termination. For purposes of this Agreement, an Event of Default shall mean the occurrence of any of the following events (each an "Event of Default"):

- (a) failure to pay any outstanding charge within ten (10) days of its due date;
- (b) a breach by the Franchisee in its performance or compliance under this Agreement or any other agreement required to be complied with under the terms hereof;
- (c) a default by the Franchisee under the Franchise Agreement;
- (d) the commencement of a bankruptcy proceeding, whether voluntary or involuntary, against the Franchisee; or
- (e) the death or dissolution of the Franchisee.

This Agreement may be terminated by the Company immediately following an Event of Default and if the Franchise Agreement expires or is terminated, this Agreement shall automatically terminate.

13. Information. All information provided to the Company or gathered from or about the Franchisee is the exclusive property of the Company. Except as expressly provided in this Agreement, the Company shall be under no obligation to treat any Franchisee information or materials received by the Company from the Franchisee as confidential. To the extent that the Franchisee shall wish that any information or materials be treated as confidential by the Company, the Franchisee must label such information or materials in writing as confidential or, if such materials are disclosed orally by the Franchisee to the Company, provide written summaries of any such disclosed information or materials together with notice of the confidential nature of such information or materials within five (5) days of oral disclosure thereof. Notwithstanding the foregoing, the Company shall have no obligation of confidentiality with respect to any information or materials disclosed to it which (a) was already known to it at the time of its receipt hereunder; (b) is or becomes generally available to the public other than by means of the Company's breach of its obligations under this Agreement; (c) is independently obtained from a third party whose disclosure violates no duty of confidentiality; or (d) is independently developed by or on behalf of the Company without use of or reliance on any confidential information furnished to it under this Agreement.

14. Relationship of the Parties. The parties' relationship to each other in the performance of this Agreement is that of independent contractors. Nothing contained in this Agreement will place the parties in the relationship of partners, joint venturers or employer-employee, and neither party will have any right to obligate or bind the other in any manner whatsoever, nor to represent to third parties that it has any right to enter into any binding obligation on the other's behalf. Nothing in this Agreement shall create or vest in the Franchisee any right, title, or interest in the Sales Center Services or the Sales Center, other than the right to use the Sales Center Services under the terms and conditions of this Agreement.

15. Dispute Resolution.

The parties agree that any litigation between you and us (and/or involving any principal of yours or which could be brought by you or on your behalf and including matters involving any of our related entities or otherwise), whether involving any litigation, dispute, controversy, claim, proceeding or otherwise between or involving you and us or otherwise, will be held exclusively before a court in the most immediate provincial judicial district and court encompassing our headquarters and having subject matter jurisdiction, the parties consenting to the exclusive jurisdiction of such court(s) and WAIVING ALL RIGHTS TO TRIAL BY JURY. You irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such court.

THE PARTIES AGREE THAT IN ANY LITIGATION BETWEEN US AND YOU (AND/OR ANY PRINCIPAL OF YOURS OR WHICH COULD BE BROUGHT BY YOU OR ON YOUR BEHALF) THE PARTIES KNOWINGLY WAIVE ALL RIGHTS TO TRIAL BY JURY. IN ANY ARBITRATION, LITIGATION OR OTHERWISE, THE PARTIES WAIVE ALL RIGHTS TO PUNITIVE, EXEMPLARY, MULTIPLE, PAIN-AND-SUFFERING, MENTAL DISTRESS OR SIMILAR DAMAGES AND AGREE THAT THE PARTIES MAY ONLY RECOVER ACTUAL FINANCIAL LOSSES.

The provisions of this Section shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

16. Governing Law. Except to the extent governed by federal law, this Agreement shall be governed by the laws of the State of Kansas, without regard for its conflicts of laws principles.

17. Entire Agreement; Amendment. This Agreement contains the entire understanding between the parties hereto as to the matters herein described and may not be modified or amended except by a writing duly signed by both parties hereto provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by the Company in the Disclosure Document that was furnished to Franchisee by Company.

18. Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors and assigns. Notwithstanding the foregoing, the Franchisee may not assign its rights or obligations hereunder without the prior written consent of the Company. Notwithstanding the foregoing, the Company may, without the consent of the Franchisee, assign, transfer or sell its rights under this Agreement to any person, partnership, corporation or other entity; provided that the transferee agrees in writing to assume all obligations undertaken by the Company herein and such writing is provided to the Franchisee. Upon such assignment and assumption, the Company shall be under no further obligation hereunder, except for accrued liabilities, if any.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

20. Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given and received when delivered personally with receipt acknowledged, or three days after being sent by registered or certified mail, return receipt requested, postage prepaid to the respective party at the addresses set forth above, or to such other address as any party shall have specified by notice in writing to the other in compliance with this Section 20.

21. Headings. The section headings in this Agreement have been inserted as a matter of convenience of reference and are not a part of this Agreement.

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

1-800-JUNKPRO, LLC

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

**Exhibit G to the
1-800-JUNKPRO, LLC Franchise Agreement**

MULTI-STATE ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.
2. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).
3. The Franchise Agreement contains covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.
4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.
5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.
6. The Franchise Agreement requires application of the laws of Kansas. This provision may not be enforceable under California law.
7. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
9. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
10. OUR WEBSITE, ~~www.1-800-junkpro~~www.1-800-junkproJUNKPRO.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF ~~CORPORATIONS~~BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF ~~CORPORATIONS~~BUSINESS OVERSIGHT at ~~www.eorpdbo~~www.eorpdbo.ca.gov.

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1. The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself:

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 (“Act”) states that “any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State.” This Section of the Act replaces any contradictory language contained in the Franchise Agreement.

2. Illinois law governs the Franchise Agreement.

3. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

4. Under Illinois law at 200.608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois. The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state “Illinois law”. The appropriate sections of the Franchise Agreement are amended accordingly.

5. Article 20 of the Franchise Agreement is amended to comply with Section 27, Periods of Limitation, of the Act to allow any and all claims and actions arising out of or relating to the Franchise Agreement, the relationship of Franchisor and Franchisee, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred.

6. Item 17(g) of the Disclosure Document, Article 17 of the Franchise Agreement are amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee’s exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).
4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 20 of the Franchise Agreement.
5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for 1-800-JUNKPRO, LLC's Franchise Disclosure Document and for its Franchise Agreement. The amendments to the Franchise Agreement included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Area Development Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

~~5. Article 8 of the Franchise Agreement is amended to state that all initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the franchise agreement.~~

6. The appropriate sections of the Franchise Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

~~6. The appropriate sections of the Franchise Agreement are amended to state that all initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the franchise agreement.~~

7. The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

8. The appropriate sections of the Franchise Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

9. The Franchise Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: “All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

- (a) A prohibition on the right of a franchisee to join an association of franchises.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee’s inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months’ advance notice of franchisor’s intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

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

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ___ day of _____, 20___, and effectively amends and revises said Disclosure Document and Franchise Agreement as follows:

1. Item 13 of the Disclosure Document and Article 7 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the Disclosure Document and Article 17 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

3. Item 17 of the Disclosure Document and Article 20 of the Franchise Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

4. Item 17 of the Disclosure Document and Articles 4 and 16 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Section 20.6 of the Franchise Agreement is hereby amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Section 20.6 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of \$30 on a NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. Article 20 of the Franchise Agreement is hereby amended accordingly.

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

3. LITIGATION

Neither the Franchisor, its Predecessor nor any person listed under Item 2 or an affiliate offering franchises under Franchisor's principal trademark:

- (A) has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.
- (B) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise; anti-fraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; unfair or deceptive practices; or comparable allegations.
- (C) is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

4. BANKRUPTCY

Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the ten year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code (or any comparable foreign law); (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership.

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by

the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled. (N.C.G.S. §66-95)

Effective Date: _____

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document and Franchise Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document and Articles 4 and 16 of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document and Article 15 of the Franchise Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document and Article 18 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(v) of the Disclosure Document and the provisions of Article 20 of the Franchise Agreement which require jurisdiction of courts in Kansas are deleted.

5. Item 17(w) of the Disclosure Document and Article 20 of the Franchise Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

6. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

7. The provisions of Article 20 of the Franchise Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

8. The provisions of Article 20 of the Franchise Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

“A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for 1-800-JUNKPRO, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

1-800-JUNKPRO, LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

**Exhibit H to the
1-800-JUNKPRO, LLC Franchise Agreement**

GENERAL RELEASE

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20__ by and between 1-800-JUNKPRO, LLC, a Delaware limited liability company having its principal place of business located at 608 South Ramsey Drive, Valley Center, Kansas 67147 (the “Franchisor”), and _____, a _____ with a principal address at _____ (hereinafter referred to as “Releasor”), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. Release by Releasor:

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys’ fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Kansas law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Kansas.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

Witness:

RELEASOR:

Witness:

1-800-JUNKPRO, LLC

By: _____

Name: _____

Title: _____

**Exhibit I to the
1-800-JUNKPRO, LLC Franchise Agreement**

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS

_____ (Name of Person or Legal Entity)
_____ (ID Number)

The undersigned depositor (“**Depositor**”) hereby authorizes 1-800-JUNKPRO, LLC (“**Franchisor**”) to initiate debit entries and/or credit correction entries to the undersigned’s checking and/or savings account(s) indicated below and the depository designated below (“**Depository**”) (“**Bank**”) to debit or credit such account(s) pursuant to Franchisor’s instructions.

Depository	Branch	
City	State	Zip Code
Bank Transit/ABA Number	Account Number	

This authorization is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

Depositor

By: _____

Name: _____

Title: _____

Date: _____

**Exhibit J to the
1-800-JUNKPRO, LLC Franchise Agreement**

**TRANSFER OF FRANCHISE TO A
CORPORATION OR LIMITED LIABILITY COMPANY**

This Transfer Agreement hereby amends that certain Franchise Agreement dated _____, 20__ between 1-800-JUNKPRO, LLC (“Franchisor”) and _____ (“Franchisee”).

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below and the Franchisee of the 1-800-JUNKPRO Business under a Franchise Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate at the location set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Franchisee constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the Corporation, or Limited Liability Company in accordance with the provisions of Section 16.3 of the Franchise Agreement, agree as follows:

1. The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Article 15 thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they jointly and severally personally guarantee all of the Franchisee’s obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

“The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20__ between _____ and 1-800-JUNKPRO, LLC”

or

“The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20__ between _____ and 1-800-JUNKPRO, LLC”

3. _____ or his designee shall devote his best efforts to the day-to-day operation and development of the Franchised Business.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Franchise Agreement executed on the date set forth below between Franchisee and Franchisor, to the same extent as if it were named as the Franchisee therein.

Date of Franchise Agreement: _____

Location of Franchised Business: _____

WITNESS:

As to Paragraph 3:

[Name]

As to Paragraph 4:

[Name]

ATTEST:

Name of Corp. or Limited Liability Company

By: _____ (SEAL)

Title: _____

In consideration of the execution of the above Agreement, 1-800-JUNKPRO, LLC hereby consents to the above referred to assignment on this ____ day of _____, 20__.

1-800-JUNKPRO, LLC

By: _____

Title: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

(As of December 2013)

None

EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

(As of December 2013)

None

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

EXHIBIT F TO THE DISCLOSURE DOCUMENT
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EXHIBIT G TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

**1-800-JUNKPRO, LLC
Valley Center, Kansas**

Balance Sheet

December, 31 2013

1-800-JUNKPRO, LLC
Valley Center, Kansas

December 31, 2013 & 2012

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MICHAEL C. PORTER
Chartered
Certified Public Accountants
215 W. Main
Valley Center, Kansas 67147
Phone (316) 755-0033 – Fax (316) 755-2661

Report of Independent Auditors'

Members
1-800-JUNKPRO, LLC
Valley Center, Kansas

Report on the Financial Statements

We have audited the accompanying balance sheets of 1-800-JUNKPRO, LLC., Valley Center, Kansas as of December 31, 2013 & 2012, and the related notes for the periods then ended.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

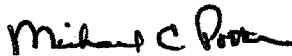
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 1-800-JUNKPRO, LLC, Valley Center, Kansas, as of December 31, 2013 & 2012 in accordance with accounting principles generally accepted in the United States of America.

Respectfully Submitted,



Michael C. Porter, Chartered
Certified Public Accountants
March 29, 2014

Member American Institute of Certified Public Accountants
Member Kansas Society of Certified Public Accountants

1-800-JUNKPRO, LLC
VALLEY CENTER, KS

BALANCE SHEETS
December 31, 2013 & 2012

ASSETS

	<u>2013</u>	<u>2012</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 10,109	\$ 30,000
<u>Other Assets</u>		
Startup expenses	\$ 19,891	\$ -
Total Assets	<u>\$ 30,000</u>	<u>\$ 30,000</u>

LIABILITIES AND MEMBERS' EQUITY

<u>Current Liabilities</u>		
Liabilities	\$ -	\$ -
<u>Members' Equity</u>		
Members' capital	\$ 30,000	\$ 30,000
Total Liabilities and Members' Equity	<u>\$ 30,000</u>	<u>\$ 30,000</u>

See accompanying notes and independent auditors' report.

1-800-JUNKPRO, LLC
Valley Center, Kansas

NOTES TO FINANCIAL STATEMENT
December 31, 2013 & 2012

1. Nature of Operations and Summary of Significant Accounting Policies

The Company's accounting policies conform to accounting principles generally accepted in the United States of America. The most significant accounting policies are summarized below.

Nature of Operations

1-800-JUNKPRO, LLC, a Delaware Limited Liability Company (the Company), is a full-service junk removal company. The Company hauls away unwanted customer items for disposal. They currently service the greater Wichita, Kansas area. The Company is in the development stage. This stage is characterized by expenditures for the design and development of the Company's products and services. Once the Company's planned principal operations commence, its development stage will end.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flow, the Company considers all highly liquid instruments purchased with maturity of three months or less to be cash.

Accounts Receivable

The Company accumulates minimal accounts receivables in the course of business. Thus, they do not provide for an allowance for doubtful accounts as required by generally accepted accounting principles; however, the Company does not believe that the results of using the direct-charge off method would result in material differences.

Property and Equipment

Property and equipment are carried at cost. Depreciation of property and equipment is provided using the straight-line method over the appropriate useful life of the asset. Maintenance, repairs and renewals, which neither add to the value of the property and equipment nor appreciably prolong its useful life, are charged to expense as incurred. Gains and losses on the dispositions of property and equipment are included in earnings.

Income Taxes

The Company has elected to be taxed as a limited liability company under the provisions afforded by the Internal Revenue Code. Under such provisions the owners are taxed individually on the Company's taxable income. Therefore, no provision for income taxes has been provided for the period ending December 31, 2013 & 2012.

Fair Value of Financial Instruments

Unless otherwise specified, the carrying values of financial instruments approximate their fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT – CON'T.

1. Nature of Operations and Summary of Significant Accounting Policies - continued

Intangible Assets

The Company will reduce the value of intangible assets by amortizing them over the expected life of the individual assets once the development stage has ended.

2. Significant Concentrations

Generally accepted accounting principles require disclosure of current vulnerabilities due to certain concentrations. Those matters include the following:

Cash in Bank

Cash deposits are maintained with a financial institution of which none exceeds the insurance limits of FDIC.

3. Related Party Transaction

At December 31, 2013 no related party transactions have occurred.

4. Subsequent Events

Management has evaluated subsequent events through the date of the accountants' audit letter, the date which the financial statements were available for issue. Management has determined that there are no events which would require adjustment or additional disclosure in the financial statements.

**1-800-JUNKPRO, LLC
Valley Center, Kansas**

Balance Sheet

December, 31 2012

1-800-JUNKPRO, LLC
Valley Center, Kansas

December 31, 2012

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MICHAEL C. PORTER
Chartered
Certified Public Accountants
215 W. Main
Valley Center, Kansas 67147
Phone (316) 755-0033 – Fax (316) 755-2661

Report of Independent Auditors'

Members
1-800-JUNKPRO, LLC
Valley Center, Kansas

Report on the Financial Statements

We have audited the accompanying balance sheet of 1-800-JUNKPRO, LLC, Valley Center, Kansas (a Delaware Limited Liability Company), as of December 31, 2012, and the related notes for the period then ended.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

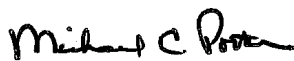
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of 1-800-JUNKPRO, LLC, as of December 31, 2012, in accordance with accounting principles generally accepted in the United States of America.

Respectfully Submitted,



Michael C. Porter, Chartered
Certified Public Accountants
March 24, 2013

Member American Institute of Certified Public Accountants
Member Kansas Society of Certified Public Accountants

1-800-JUNKPRO, LLC
VALLEY CENTER, KS

BALANCE SHEET

December 31, 2012

ASSETS

Current Assets

Cash and cash equivalents \$ 30,000

Total current assets \$ 30,000

Total Assets \$ 30,000

LIABILITIES AND MEMBER'S EQUITY

Current Liabilities

Liabilities \$ -

Members' Equity

Owners' Capital \$ 30,000

Total Members' Equity \$ 30,000

Total Liabilities and Members' Equity \$ 30,000

See accompanying notes to the financial statements

1-800-JUNKPRO, LLC
Valley Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2012

1. Nature of Operations and Summary of Significant Accounting Policies

The Company's accounting policies conform to accounting principles generally accepted in the United States of America. The most significant accounting policies are summarized below.

Nature of Operations

1-800-JUNKPRO, LLC, a Delaware Limited Liability Company (the Company), is a full-service junk removal company. The Company hauls away unwanted customer items for disposal. They currently service the greater Wichita, Kansas area.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flow, the Company considers all highly liquid instruments purchased with maturity of three months or less to be cash.

Accounts Receivable

The Company accumulates minimal accounts receivables in the course of business. Thus, they do not provide for an allowance for doubtful accounts as required by generally accepted accounting principles; however, the Company does not believe that the results of using the direct-charge off method would result in material differences.

Property, Plant and Equipment

Property and equipment are carried at cost. Depreciation of property and equipment is provided using the straight-line method over the appropriate useful life of the asset. Maintenance, repairs and renewals, which neither add to the value of the property and equipment nor appreciably prolong its useful life, are charged to expense as incurred. Gains and losses on the dispositions of property and equipment are included in earnings.

Income Taxes

The Company has elected to be taxed as a limited liability company under the provisions afforded by the Internal Revenue Code. Under such provisions the owners are taxed individually on the Company's taxable income. Therefore, no provision for income taxes has been provided for the period ending December 31, 2012.

Fair Value of Financial Instruments

Unless otherwise specified, the carrying values of financial instruments approximate their fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT – CON'T.

2. Significant Concentrations

Generally accepted accounting principles require disclosure of current vulnerabilities due to certain concentrations. Those matters include the following:

Cash in Bank

Cash deposits are maintained with a financial institution of which none exceeds the insurance limits of FDIC.

3. Related Party Transaction

At December 31, 2012 no related party transactions have occurred.

4. Subsequent Events

Management has evaluated events subsequent to the date of the financial statement presented through the date of the auditor's report and no events have occurred which would require adjustment or disclosure in the financial statements.

EXHIBIT H TO THE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, 1-800-JUNKPRO, LLC (the “**Franchisor**”) and you are preparing to enter into a franchise agreement (the “**Franchise Agreement**”) for the establishment and operation of a “1-800-JUNKPRO” Business (the “**Franchised Business**”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by existing franchisees, 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 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 or representative of the Franchisor. 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 the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor representative on _____, 20____.

3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No _____

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

8. 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 _____

9. 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 _____

10. 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 Disclosure Document?

Yes _____ No _____

11. 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 Disclosure Document?

Yes _____ No _____

12. 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 Disclosure Document?

Yes _____ No _____

13. 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 Disclosure Document?

Yes _____ No _____

14. 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 _____

15. 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 Disclosure Document or franchise agreement?

Yes _____ No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18. 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 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if

necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

I signed the Franchise Agreement and Addendum (if any) on _____, 20____, 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 that:

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 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 any franchise broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including any franchise 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 those contained in the Disclosure Document, please describe those in the space provided below or write "None".

C. 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
INDIVIDUAL

Sign here if you are taking the franchise as a
**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

Signature

Print Name of Legal Entity

Print Name _____

By: _____
Signature

Signature

Print Name _____

Print Name _____

Title _____

Signature

Print Name _____

Signature

Print Name _____

EXHIBIT I TO THE DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20__ by and between 1-800-JUNKPRO, LLC, a Delaware limited liability company having its principal place of business located at 608 South Ramsey Drive, Valley Center, Kansas 67147 (the “Franchisor”), and _____, a _____ with a principal address at _____ (hereinafter referred to as “Releasor”), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor:**

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys’ fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Kansas law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Kansas.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

Witness:

RELEASOR:

(Name)

Witness:

1-800-JUNKPRO, LLC:

By: _____

Name: _____

Title: _____

RECEIPT

(KEEP THIS COPY FOR YOUR RECORDS)

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

If 1-800-JUNKPRO, LLC offers you a franchise, it must provide this disclosure document to you 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. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If 1-800-JUNKPRO, 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 the appropriate state agency listed on Exhibit A.

The franchisor is 1-800-JUNKPRO, LLC, located at 608 South Ramsey Drive, Valley Center, Kansas 67147. Its telephone number is (316) 688-5865.

Issuance date: ~~March 27, 2013~~ April 3, 2014.

The name, principal business address and telephone number of each franchise seller offering the franchise is as follows: _____
_____.

1-800-JUNKPRO, LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a disclosure document dated _____, 20__ that included the following Exhibits:

A – State Agencies/Agents for Service of Process	F – Table of Contents of Operations Manual
B – Multi-State Addendum	G – Financial Statements
C – Franchise Agreement and Multi-State Addendum	H – Franchisee Disclosure Acknowledgment Statement
D – List of Franchisees	I – Form of General Release
E – List of Franchisees Who Have Left the System	

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

You may return the signed receipt either by signing, dating and mailing it to 1-800-JUNKPRO, LLC at 608 South Ramsey Drive, Valley Center, Kansas 67147, or by faxing a copy of the signed and dated receipt to 1-800-JUNKPRO, LLC at (316) 943-7669.

RECEIPT

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