FRANCHISE DISCLOSURE DOCUMENT

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JUNK KING SPV LLC
a Delaware limited liability company
1010 North University Parks Drive
Waco, TX 76707
1-888-888-JUNK
junkking@nbly.com (email)
www.junk-king.com (website)

As a franchisee you will operate a retail junk removal, dumpster, and recycling business under the name Junk King® and provide related services and products pursuant to certain standards and specifications.

The total investment necessary to begin operation of a Junk King® franchise ranges from $121,200 to $236,000. This includes $56,250 to $78,250 (for a typical territory with population of 500,000 – 700,000 people) that must be paid to the franchisor and our affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Bradley Stevenson, 1010 North University Parks Drive, Waco, TX, 76707, (888) 888-JUNK (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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 1, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits E & F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only JUNK KING business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a JUNK KING franchisee?	Item 20 or Exhibits E & F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

4. **Sales Performance Requirement**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

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

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

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed franchisee 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.

(j) If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding the notice should be directed to:

State of Michigan
Consumer Protection Division
Attention: Franchise
G. Mennen Williams Building, First Floor
525 West Ottawa
Lansing, Michigan 48933
Telephone: 517-373-7117

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APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT L.

ITEM 1

THE FRANCHISOR, AND ANY PARENT, PREDECESSORS AND AFFILIATES

For ease of reference in this disclosure document, the franchisor, JUNK KING SPV LLC, is referred to as "we," "us" or "Franchisor," and sometimes "Junk King", and the person who buys the franchise is referred to as "you", "your", or "Franchisee". The business that is operated under the Franchise Agreement is referred to as the "franchise" or the "Business" and the right to operate granted by the Franchise Agreement is sometimes referred to as the "license" or "franchise." If you are a legal entity, the provisions of the Franchise Agreement and related agreements apply to your owners.

This disclosure document outlines and summarizes some contractual obligations of both the Franchisor and the Franchisee which are found in the Franchise Agreement and other agreements. For ease of reference and understanding, these obligations may be paraphrased or described in general terms in this document.

The Franchisor

The Franchisor is JUNK KING SPV LLC. We are a Delaware limited liability company organized on November 16, 2022. We maintain our principal place of business at 1010 North University Parks Drive, Waco, TX, 76707. We do business under our corporate name and under the name JUNK KING®. Our agents for service of process are listed on Exhibit B.

Predecessors

Our predecessor and affiliate is Junk King Franchise Systems, LLC, a Delaware limited liability company formed on April 12, 2019 ("Predecessor"), with a principal business address at 1616 Gilbreth Road, Burlingame, CA 94010. Predecessor offered Junk King franchises from April 2020 until December 2022. From April 2019 to March 2020, it also served as the franchisor to Junk King® franchisees and area representatives in the United States that began operating prior to April 2019, providing support services to them. On January 1, 2023, all existing U.S. franchise agreements and related agreements for Junk King franchised businesses were transferred from Predecessor to us, and we became the franchisor of all existing and future Junk King franchise and related agreements (such transfer, the "Securitization Asset Transfer"). Ownership and control of the U.S. trademarks and certain intellectual property relating to the operation of Junk King businesses in the U.S. were also simultaneously transferred to us as part of the Securitization Asset Transfer. Predecessor has not offered franchises in any other line of business and it has not engaged in any other business activities.

Junk King Industries, LLC, a Delaware limited liability company ("JKI"), is another of our predecessors, which offered Junk King® franchises between July 2019 and March 2020 when it merged with and into Junk King Franchise Systems, LLC. Its principal business address was 1616 Gilbreth Road, Burlingame, CA 94010.

Junk King Franchise Systems, Inc., a California corporation formed on January 11, 2010 ("JKFSI") is another one of our predecessors. Its principal business address is 1616 Gilbreth Road, Burlingame, CA 94010. JKFSI offered Junk King® unit franchises in the United States from January 2010 to April 2019 and Junk King® area representative franchises in the United States from 2011 to 2013 and 2016 to 2017, but it no longer offers or supports franchises or has any involvement in the operation of our franchise system.

We have not had any other predecessors during the 10-year period immediately before the date of this disclosure document.

Manager

At the time of the closing of the Securitization Asset Transfer, Neighborly Company ("Manager") entered into a management agreement with us to provide the required support and services to Junk King franchisees under their franchise agreements. Manager also acts as our franchise sales agent. We will pay management fees to Manager for these services. However, as the franchisor, we will be responsible and accountable to you to make sure that all services we promise to perform under your Franchise Agreement or other agreement you sign with us are performed in compliance with the applicable agreement, regardless of who performs these services on our behalf.

Our Business Experience

We began offering Junk King® franchises in January 2023, although our predecessors first started offering franchises for the operation of a junk removal and recycling business and related services and products pursuant to certain standards and specifications under the Junk King® marks in February 2005. We do not operate a business of the type being franchised, but our affiliate, Junk King Enterprises, LLC, a Delaware limited liability company ("JKE"), with the same principal office address as us, from time to time purchases franchised businesses from our franchisees that wish to sell their business and then it resells such businesses to our existing or new franchisees, as part of our resale program.

Other than Junk King® franchises, we have never offered any other franchises in any other line of business. We do not conduct any other business activities other than selling and supporting Junk King® franchises.

As of December 31, 2025, there were a total of 171 JUNK KING franchises in operation in the U.S.

Our Parents and Affiliates

On November 1, 2022, Viking Merger Sub, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Dwyer Franchising LLC d/b/a Neighborly ("Neighborly") merged with and into Junk King Holdings, LLC, a Delaware limited liability company and the parent of Predecessor, with Junk King Holdings, LLC being the surviving entity in the merger ("Merger"). As a result of the Merger, Predecessor became an indirect, wholly-owned subsidiary of Neighborly.

We are a direct, wholly-owned subsidiary of Neighborly Assetco LLC ("Parent"). The name and principal business address of each of our direct or indirect parents that exercise control over the policies and direction of the System (as defined below) are as follows:

Name of Company	**Principal Business Address**	**Ownership or Control of Company**
Nest Holdings LP ("**Nest Holdings**")	2800 Sand Hill Road, Suite 200 Menlo Park, CA 94025	Controlled by investment funds affiliated with Kohlberg Kravis Roberts & Co. L.P. ("**KKR**")
Nest Holdings Inc. ("**Nest Holdco**")	2800 Sand Hill Road, Suite 200 Menlo Park, CA 94025	Wholly owned by Nest Holdings

Name of Company	Principal Business Address	Ownership or Control of Company
Nest Topco Guarantor Inc. ("**Nest Guarantor**")	2800 Sand Hill Road, Suite 200 Menlo Park, CA 94025	Wholly owned by Nest Holdco
Nest Topco Borrower Inc. ("**Nest Topco Borrower**")	2800 Sand Hill Road, Suite 200 Menlo Park, CA 94025	Wholly owned by Nest Guarantor
Nest Bidco Inc. ("**Nest Bidco**")	2800 Sand Hill Road, Suite 200 Menlo Park, CA 94025	Wholly owned by Nest Topco Borrower
Balcones Holdco, Inc. ("**Balcones Holdco**")	2800 Sand Hill Road, Suite 200 Menlo Park, CA 94025	Wholly owned by Nest Bidco
TDG Intermediate, LLC ("**Intermediate**")	2800 Sand Hill Road, Suite 200 Menlo Park, CA 94025	Wholly owned by Balcones Holdco
Neighborly Company ("**Manager**")	1010 North University Parks Drive Waco, Texas 76707	Wholly owned by Intermediate
TDG Holding Company ("**TDGHC**")	1010 North University Parks Drive Waco, Texas 76707	Wholly owned by Manager
The Dwyer Group, Inc. ("**TDG**")	1010 North University Parks Drive Waco, Texas 76707	Wholly owned by TDGHC
The Dwyer Group LLC ("**Dwyer**")	1010 North University Parks Drive Waco, Texas 76707	Wholly owned by TDG
Dwyer Franchising LLC d/b/a Neighborly ("**Neighborly**")	1010 North University Parks Drive Waco, Texas 76707	Wholly owned by Dwyer
Neighborly SPV Guarantor LLC ("**SPV Guarantor**")	1010 North University Parks Drive Waco, Texas 76707	Wholly owned by Neighborly
Neighborly Issuer LLC ("**Issuer**")	1010 North University Parks Drive Waco, Texas 76707	Wholly owned by SPV Guarantor
Neighborly Assetco LLC	1010 North University Parks Drive Waco, Texas 76707	Wholly owned by Issuer

On August 31, 2021, Nest Bidco, a Delaware corporation, purchased from TDG Investment Holdings, LP all of the issued and outstanding shares of common stock of Balcones Holdco under the terms of a Stock Purchase Agreement dated June 30, 2021 by and among Nest Bidco, Balcones Holdco, and TDG Investment Holdings, LP ("KKR Acquisition"). Upon the closing of the KKR Acquisition, Nest Bidco became Balcones Holdco's and its subsidiaries' parent company. Nest Bidco is controlled by investment

funds affiliated with Kohlberg Kravis Roberts & Co. L.P., which is a leading global investment firm ("KKR").

Affiliates

The following affiliates are wholly-owned direct subsidiaries of Parent and they offer franchises in the U.S. under separate franchise disclosure documents:

Since 1992, Aire Serv SPV LLC, a Delaware limited liability company ("Aire Serv"), and its predecessor (Aire Serv LLC) have offered franchises which provide installation, maintenance and repair of residential and commercial heating, ventilating and air-conditioning equipment under the name AIRE SERV®. Aire Serv maintains its principal place of business at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were a total 229 Aire Serv franchises in operation in the U.S. Aire Serv has never conducted business or offered franchises of the type described in this disclosure document.

Since April 2011, Dryer Vent Wizard SPV LLC, a Delaware limited liability company ("DVW") and its predecessor (Dryer Vent Wizard International LLC) have been offering franchises for the operation of businesses providing installation and repair of, and cleaning products and services for: dryer vents, bathroom vents, kitchen vents, appliances, exhaust vents, air movement systems and washing machine filters and hoses to enhance the performance and safety of clothes dryers and other household appliances to residential and commercial customers, under the Dryer Vent Wizard® name. DVW maintains its principal business address at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were a total of 163 Dryer Vent Wizard franchises in operation in the U.S. DVW has never conducted business or offered franchises of the type described in this disclosure document.

Since September 2007, Five Star Painting SPV LLC, a Delaware limited liability company ("Five Star Painting"), and its predecessors (Five Star Painting, LLC and Five Star Painting, Inc.) have offered franchises which perform and provide residential and commercial painting services and other related products and services under the name Five Star Painting®. Five Star Painting maintains its principal place of business at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were a total of 245 Five Star Painting franchises in operation in the U.S. Five Star Painting has never conducted business or offered franchises of the type described in this disclosure document. On March 25, 2016, ProTect Painters International, LLC ("ProTect Painters"), a Michigan limited liability company, merged with and into Five Star Painting's predecessor, with Five Star Painting's predecessor being the surviving entity in the merger (the "Merger"). As a result of the Merger, Five Star Painting's predecessor offered, and now Five Star Painting offers, franchises under both, the Five Star Painting marks and the ProTect Painters marks. As of December 31, 2025, there were 2 ProTect Painters franchises in the U.S.

Since March 2004, Glass Doctor SPV LLC, a Delaware limited liability company ("Glass Doctor"), and its predecessor (Synergistic International, LLC) have offered franchises that repair and replace auto and/or flat glass under the name GLASS DOCTOR®. From 1977 to March 2004, Glass Doctor's predecessors offered similar franchises. Glass Doctor maintains its principal place of business at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were a total of 172 Glass Doctor franchises in operation in the U.S. Glass Doctor has never conducted business or offered franchises of the type described in this disclosure document.

Since April 2010, The Grounds Guys SPV LLC, a Delaware limited liability company ("Grounds Guys"), and its predecessor (The Grounds Guys LLC) have offered franchises which perform and provide commercial, residential and municipal property maintenance, landscaping and hardscaping services, snow and ice maintenance services, trash and debris removal, arboriculture services, lawn renovation, turf care

services and other related products and services under the name The Grounds Guys®. Grounds Guys maintains its principal place of business at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were a total of 219 The Grounds Guys franchises in operation in the U.S. Grounds Guys has never conducted business or offered franchises of the type described in this disclosure document.

Since 1979, HouseMaster SPV LLC, a Delaware limited liability company ("HMS"), and its predecessors (HM Services, LLC) have been offering franchises for the operation of a building inspection and related services business under the HouseMaster™ trademark. HMS maintains its principal business address at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were a total of 190 HouseMaster franchises in operation in the U.S. HMS has never conducted business or offered franchises of the type described in this disclosure document.

Since January 2023, Lawn Pride SPV LLC, a Delaware limited liability company ("LAP") has been offering franchises for the operation of a business that provides lawn care and maintenance services through the application of fertilizer and other products, perimeter pest control services, and performance of related services including fungus control and prevention, grub treatments, aeration, mole control, and tree and shrub feeding and insect control (but specifically excluding mosquito or other flying pest, tick and flea control services), to both residential and commercial customers under the Lawn Pride trademark. LAP maintains its principal business address at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were 44 Lawn Pride franchised outlets and one affiliate-operated Lawn Pride business in operation in the U.S. LAP has never conducted business or offered franchises of the type described in this disclosure document.

Since May 1984, Molly Maid SPV LLC, a Delaware limited liability company ("Molly Maid"), and its predecessors (Molly Maid LLC and Molly Maid, Inc.) have offered franchises for the operation of businesses that offer professional residential housekeeping services as well as a carpet cleaning program under the name Molly Maid®. Molly Maid maintains its principal place of business at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were a total of 432 Molly Maid franchises in operation in the United States and Puerto Rico. Molly Maid has never conducted business or offered franchises of the type described in this disclosure document.

Since 2012, Mosquito Joe SPV LLC, a Delaware limited liability company ("MoJo"), and its predecessor (Mosquito Joe Franchising, LLC) have been offering franchises for the operation of businesses providing services and equipment to both residential and commercial customers to control undesirable outdoor insects, such as mosquitoes, ticks and fleas, under the Mosquito Joe® name. MoJo maintains its principal business address at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were a total of 407 Mosquito Joe franchises in operation in the U.S. MoJo has never conducted business or offered franchises of the type described in this disclosure document.

Since August 1996, Mr. Appliance SPV LLC, a Delaware limited liability company ("Appliance") and its predecessor (Mr. Appliance LLC) have offered franchises which perform and provide service and repair on all major appliances for residential and commercial customers under the name MR. APPLIANCE®. Appliance maintains its principal place of business at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were a total of 311 Mr. Appliance franchises in operation in the U.S. Appliance has never conducted business or offered franchises of the type described in this disclosure document.

Since 1994, Mr. Electric SPV LLC, a Delaware limited liability company ("Electric"), and its predecessor (Mr. Electric LLC) have offered franchises which perform electrical services and repairs under the name MR. ELECTRIC®. Electric maintains its principal place of business at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2024, there were a total of 236 Mr. Electric franchises

in operation in the U.S. Electric has never conducted business or offered franchises of the type described in this disclosure document.

Since January 2000, Mr. Handyman SPV LLC, a Delaware limited liability company ("Mr. Handyman"), and its predecessor (Mr. Handyman International, L.L.C.) have offered franchises for the operation of companies dedicated to performing business and residential maintenance and repair services under the name Mr. Handyman®. Mr. Handyman maintains its principal business address at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were a total of 357 Mr. Handyman franchises in the U.S. Mr. Handyman has never conducted business or offered franchises of the type described in this disclosure document.

Since 1993, Mr. Rooter SPV LLC, a Delaware limited liability company ("Rooter"), and its predecessor (Mr. Rooter LLC) have offered franchises which provide plumbing and plumbing repair services; sewer, drain and pipe cleaning services; septic tank pumping; water heater replacement; TV pipe inspection; line and leak detection; hydronics; excavation and replacement of sewer lines and other related services and products in homes and commercial buildings under the names MR. ROOTER® and AMERICA'S TROUBLE SHOOTER®. Rooter maintains its principal place of business at 1010 North University Parks Drive, Waco, TX 76707. As of December 31, 2025, there were a total of 238 Mr. Rooter franchises and two affiliate-operated locations in operation in the U.S. Rooter has never conducted business or offered franchises of the type described in this disclosure document. As of December 31, 2025, Rooter also had 4 franchised locations in the UK (through a master franchise relationship).

Since February 2005, Precision Door Service SPV LLC, a Delaware limited liability company ("PDS") and its predecessor (Precision Holdings of Brevard, Inc.) have been offering franchises for the operation of a business that provides garage door repair and service under the Precision Garage Door Service™ trademark. PDS maintains its principal business address at 2395 Washington Avenue, Suite 5, Titusville, Florida 32780. As of December 31, 2025, there were a total of 147 Precision Garage Door Service franchised outlets in operation in the U.S. PDS has never conducted business or offered franchises of the type described in this disclosure document.

Since 1981, Rainbow International SPV LLC, a Delaware limited liability company ("Rainbow International"), and its predecessor (Rainbow International LLC) have offered franchises which provide carpet cleaning, dyeing, repair, reinstallation and related services; upholstery, drapery and ceiling cleaning and related services; and deodorization services under the names RAINBOW RESTORATION®, RAINBOW INTERNATIONAL®, RAINBOW INTERNATIONAL CARPET CARE & RESTORATION SPECIALIST®, RAINBOW INTERNATIONAL RESTORATION & CLEANING® and RAINBOW INTERNATIONAL RESTORATION®. In 1997, Rainbow International's predecessor added an option to perform air duct cleaning services. In 2000, Rainbow International's predecessor added water, smoke and disaster restoration services. In 2001, Rainbow International's predecessor added an option to perform mold remediation services. Rainbow International maintains its principal place of business at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were a total of 328 Rainbow Restoration franchises in operation in the U.S. In addition, Rainbow International offers Rainbow Restoration franchises in the UK (through a master franchise relationship), with 48 franchises in operation in the UK as of December 31, 2025. Rainbow International has never conducted business or offered franchises of the type described in this disclosure document.

Since 2005, Real Property Management SPV LLC, a Delaware limited liability company ("RPM"), and its predecessor (Property Management Business Solutions, LLC) have been offering franchises for the operation of businesses providing property management services, including management of maintenance and repair services and rent collection under the Real Property Management name. RPM maintains its principal business address at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31,

2025, there were a total of 450 Real Property Management franchises in operation in the U.S. RPM has never conducted business or offered franchises of the type described in this disclosure document.

Since May 2008, ShelfGenie SPV LLC, a Delaware limited liability company ("ShelfGenie"), and its predecessor (ShelfGenie Franchise Systems, LLC) have been offering franchises for the operation of a business that designs and installs customized solutions for new and existing cabinets, pantries and other structures under the ShelfGenie™ trademark. ShelfGenie maintains its principal business address at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were a total of 262 ShelfGenie franchised outlets and 12 affiliate-operated outlets in operation in the U.S. ShelfGenie has never conducted business or offered franchises of the type described in this disclosure document.

Since 1998, Window Genie SPV LLC, a Delaware limited liability company ("Window Genie"), and its predecessor (FOR Franchising, LLC) have offered franchises for the operation of a residential and commercial window cleaning, window tinting and pressure washing business operated under the Window Genie® name. Window Genie maintains its principal business address at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, there were a total of 103 Window Genie franchises in operation in the U.S. Window Genie has never conducted business or offered franchises of the type described in this disclosure document.

The affiliates named above offer franchises using separate franchise disclosure documents. We will make any of those disclosure documents available to you upon request.

The following affiliates are direct or indirect wholly-owned subsidiaries of Neighborly and they offer franchises outside the U.S.:

Our affiliate, JKFS Canada Inc. ("JKFS Canada"), offered junk removal franchises under the JUNK WORKS mark in Canada from November 2012 until December 31, 2022. From October 2012 until December 31, 2022, JKFS Canada also offered JUNK WORKS area representative franchises in Canada. Its principal business address was 1616 Gilbreth Road, Burlingame, CA 94010, and it was incorporated on October 10, 2012. As of January 1, 2023, the right to offer Junk Works franchises in Canada was transferred from JKFS Canada to our affiliate, The Dwyer Group Canada, Inc., as described immediately below. JKFS Canada no longer offers any franchises and it does not provide any products or services to our franchisees. The currently operating JUNK WORKS franchises are in the process of transitioning to the JUNK KING name. As of December 31, 2025, there were 4 JUNK KING franchises operating in Canada.

The Dwyer Group Canada, Inc. ("TDGC"), a wholly owned subsidiary of Neighborly since January 1998, was incorporated in the Province of Ontario, Canada on January 21, 1998. TDGC has the right to offer and sell Aire Serv, Dryer Vent Wizard, Five Star Painting, Glass Doctor, HouseMaster, Junk Works, Mr. Appliance, Mr. Electric, Mr. Handyman, Mr. Rooter, Rainbow Restoration, ShelfGenie and The Grounds Guys franchises in Canada under 3-party agreements between TDGC, us or the applicable affiliate-franchisor, and the franchisee. TDGC, in cooperation with us or such affiliate-franchisor, provides, support and supervision and, at times, assistance or guidance, to Canadian franchisees operating under our or the affiliate's trademarks and systems. TDGC maintains its principal place of business at 1010 North University Parks Drive, Waco, Texas 76707. As of December 31, 2025, TDGC had 14 Mr. Handyman franchises, 24 Mr. Rooter franchises, 13 Rainbow Restoration franchises, 9 Glass Doctor franchises, 12 Mr. Appliance franchises, 6 Mr. Electric franchises, 4 Aire Serv franchises, 4 Dryer Vent Wizard franchises, 10 Five Star Painting franchises, 27 The Grounds Guys franchises, 14 HouseMaster franchises, 22 ShelfGenie franchises, 5 Precision Garage Door Service franchises, and 4 Junk King franchises (formerly operated under the name Juk Works and in the process of transitioning to this name) in operation in Canada. TDGC has never conducted business of the type described in this disclosure document.

Dwyer (UK Franchising) Limited ("Dwyer UK"), a wholly-owned subsidiary of Neighborly since March 9, 2012, was incorporated in England and Wales on March 9, 2012. Dwyer UK has the right to offer and sell Aire Serv and Mr. Electric franchises in the United Kingdom using agreements between Dwyer UK and the franchisee. Dwyer UK, in cooperation with Aire Serv and Electric, provides support and supervision and, at times, assistance or guidance, to franchisees operating under those trademarks and systems in the United Kingdom. Dwyer UK maintains its principal place of business in Five Mile House, 128 Hanbury Rd., Stroke Prior, Bromsgrove, Worcester EG B60 4JZ, United Kingdom. As of December 31, 2025, Dwyer UK had 2 Mr. Electric franchises and 2 Aire Serv franchises. Dwyer UK has the right to offer franchises in the United Kingdom for the same type of business as Aire Serv and Electric offer in the U.S. under separate franchise disclosure documents.

Since October 2015, a wholly-owned subsidiary of Neighborly, Drain Doctor Holdings Limited (f/k/a Dwyer DD UK Limited), a private limited company registered in England and Wales, has been offering Mr. Rooter franchises in the U.K. under the name Drain Doctor®. There were 62 Drain Doctor® franchises in the UK as of December 31, 2025.

Rainbow International Systemzentrale Deutschland GmbH ("Rainbow Germany"), a wholly-owned subsidiary of Neighborly since September 18, 2014, was incorporated in Germany on September 18, 2014. Rainbow Germany has the right to offer and sell Rainbow Restoration franchises in Germany using agreements between Rainbow Germany and the franchisee. Rainbow Germany, in cooperation with Rainbow Restoration, provides support and supervision and, at times, assistance or guidance, to franchisees operating under the Rainbow marks and system in Germany. Rainbow Germany maintains its principal place of business at Flözstraße 18, 73433 Aalen, Germany. As of December 31, 2025, Rainbow Germany had 39 Rainbow Restoration franchises in Germany. Rainbow Germany has the right to offer franchises in Germany for the same type of business as Rainbow Restoration offers in the U.S. under a separate franchise disclosure document.

Locatec Ortungstechnik GmbH ("Locatec") is a wholly-owned subsidiary of Neighborly since April 27, 2016. Locatec has the right to offer and sell Locatec franchises in Austria and Germany using agreements between Locatec and the franchisee. Locatec, in cooperation with our affiliates, provides support and supervision and, at times, assistance or guidance to franchisees operating under Locatec trademarks and systems in Germany and Austria. Locatec maintains its principal place of business at Flözstraße 18, 73433 Aalen, Germany. Locatec franchisees offer non-destructive detection of all types of leaks in pipe systems (indoor and outdoor including pipes for gas, water, sewage, and district heat) and flat roofs as well as emergency repair services. As of December 31, 2025, Locatec had 55 franchises in Germany and 3 in Austria.

Bright and Beautiful UK Limited ("Bright and Beautiful") is a wholly owned subsidiary of Neighborly since April 13, 2017. Bright and Beautiful has the right to offer and sell Bright and Beautiful franchises in the United Kingdom using agreements between Bright and Beautiful and the franchisee. Bright and Beautiful provides support and supervision and, at times, assistance or guidance to franchisees operating under Bright and Beautiful trademarks and systems in the United Kingdom. Bright and Beautiful franchisees offer domestic cleaning services. As of December 31, 2025, Bright and Beautiful had 85 franchises in the United Kingdom.

Countrywide Garden Maintenance Services Limited ("Countrywide") is a wholly owned subsidiary of Neighborly since May 2, 2017. Countrywide has the right to offer and sell Countrywide franchises in the United Kingdom using agreements between Countrywide and the franchisee. Countrywide provides support and supervision and, at times, assistance or guidance to franchisees operating under Countrywide trademarks and systems in the United Kingdom. Countrywide franchisees offer commercial grass cutting,

landscape maintenance, grounds maintenance and winter gritting services. As of December 31, 2025, Countrywide had 43 franchises in the United Kingdom.

Dream Doors Holdings Limited ("Dream Doors") has been a wholly owned subsidiary of Neighborly since February 26, 2019. Dream Doors has the right to offer and sell Dream Doors franchises in the United Kingdom using agreements between Dream Doors and the franchisee. Dream Doors provides support and supervision and, at times, assistance or guidance to franchisees operating under Dream Doors trademarks and systems in the United Kingdom. Dream Doors franchisees offer fully-fitted kitchen makeovers, replacement doors and countertops and the installation of new appliances. As of December 31, 2025, Dream Doors had 81 franchises in the United Kingdom.

GreenSleeves Lawn Care Limited (UK) ("GreenSleeves") is a wholly owned subsidiary of Neighborly since October 28, 2022. GreenSleeves has the right to offer and sell GreenSleeves franchises in the United Kingdom using agreements between GreenSleeves and the franchisee. GreenSleeves provides support and supervision and, at times, assistance or guidance to franchisees operating under GreenSleeves trademarks and systems in the United Kingdom. GreenSleeves franchisees offer lawn care services including fertilizer treatments, moss treatments and debris removal in the United Kingdom. As of December 31, 2025, GreenSleeves had 90 franchised and 11 corporate locations in the United Kingdom.

The following affiliates provide services to our franchisees:

BackOffice SPV LLC ("BackOffice"), a Delaware limited liability company and a wholly-owned affiliate of Neighborly, has been providing certain temporary bookkeeping assistance and training services to the franchisees of several of our affiliates, and BackOffice may in the future provide some of these services to our franchisees. Back Office is located at 1010 North University Parks Drive, Waco, Texas 76707. BackOffice has not offered any franchises in any line of business. BackOffice does not and has not previously conducted business of the type operated by our franchisees.

Neighborly Service Solutions SPV LLC, a Delaware limited liability company and a wholly-owned subsidiary of Neighborly ("Neighborly Service Solutions") was formed in June 2021 to, among other things, negotiate, and sometimes enter into, contracts with some of the Key Accounts. Neighborly Service Solutions also may offer certain marketing and other services. Neighborly Service Solutions maintains its principal place of business at 1010 North University Parks Drive, Waco, Texas 76707. Neighborly Service Solutions does not own or operate any franchises nor has it offered franchises in any line of business.

ProTradeNet SPV LLC, a Delaware limited liability company and a wholly-owned subsidiary of Neighborly ("ProTradeNet"), negotiates, and sometimes enters into contracts, with some of the vendors, suppliers and others who do business or propose to do business with our and our affiliates' franchisees with the goal of obtaining better terms and conditions on which franchisees purchase goods and services for their businesses. ProTradeNet maintains its principal place of business at 1010 North University Parks Drive, Waco, Texas 76707. ProTradeNet does not own or operate any franchises nor has it offered franchises in any line of business.

ZorWare SPV LLC, a Delaware limited liability company and a wholly-owned subsidiary of Neighborly ("ZorWare"), may in the future provide software to us and our affiliates and technical support to franchisees and may in the future collect fees from franchisees for certain software programs. ZorWare maintains its principal place of business at 1010 North University Parks Drive, Waco, Texas 76707. ZorWare does not own or operate any franchises nor has it offered franchises in any line of business.Except as noted above, none of our affiliates have offered franchises in the same line of business as offered in this disclosure document or in any other line of business, nor have they conducted any other business.

Description of the Franchise

Our franchisees remove and haul away junk from residential and commercial customers using a truck with a customized truck box that meets our specifications, for disposal, re-use, and recycling. The franchised businesses operate under our service mark JUNK KING®, and the additional principal service marks, trademarks, trade names, logos, emblems, slogans or indicia of origin which are or may be designated by us in the future (the "Marks"), in accordance with the methods and processes developed by us in connection with the franchise (the "System") within a specified geographical area (the "Territory"). The System includes our operating systems, marketing systems, business techniques, and methods, processes, policies and procedures for providing junk removal, recycling, resale and related services, along with items of trade dress and sales, leadership and management training for the development and operation of JUNK KING Businesses, including all training materials, all as the same may exist today or as the same may change from time to time, as specified in the Operations Manual or as otherwise reasonably directed by us from time to time. You may, if we approve, convert an existing business offering similar services to a Business or add additional territory to a Business under the terms stated in the Franchise Agreement and related agreements.

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

The standard form of franchise agreement we are now offering is included in this disclosure document as Exhibit A (the "Franchise Agreement"). When we update our disclosure document, the form of franchise agreement and other agreements may change, fees and other obligations may increase, and the terms and conditions on which you may obtain a franchise may be less favorable as compared with a previous disclosure document.

Uniformity of franchise agreements among our franchisees may not always be possible or practical. We and our predecessors have offered in the past and we may offer in the future, franchise agreements to other franchisees on terms materially different from those included in this disclosure document. We also may materially vary the franchise agreement terms, conditions, and obligations (including those relating to fees, territories, training and other items) offered to other franchisees and except as may be required by applicable law we have no obligation to disclose these variations to you or to grant the same or similar variation to you.

You must begin to offer a dumpster removal service to residential and business customers (the "Dumpster Services") upon the earlier of: (a) the 36 months' anniversary of the effective date of your Franchise Agreement, or (b) the date on which the Business achieves $600,000 in cumulative Gross Sales. The Dumpster Services shall include (i) dropping off a dumpster (typically, a 12 cubic-yard dumpster) at the customer's property for a short-term rental period and (ii) picking up the dumpster after it is filled by the customer, using a specialized truck, and properly disposing of its contents. When you begin offering Dumpster Services you must purchase and maintain at least seven dumpsters and a second vehicle capable of hauling a dumpster (your first hauling vehicle cannot be used for this), and comply with other specifications and standards that we specify. If you fail to offer Dumpster Services by the required deadline as noted above, we reserve the right to: (x) grant the rights to provide Dumpster Services in your Territory to another third party; or (y) charge you a fee of up to $600 per month until you begin offering Dumpster Services.

For franchisees currently in the Junk King® franchise system, if you request the right to offer Dumpster Services, and we grant you the right to do so, we may require you to pay us an initial dumpster services fee of up to $25,000, plus a $300 amendment fee, for the right to offer Dumpster Services in your Territory, due upon execution of an addendum to the Franchise Agreement setting forth the Dumpster Services qualifications and requirements ("Existing Franchisee Dumpster Addendum"). We reserve the right to reduce or waive this fee. For franchisees currently in the Junk King® franchise system, if you do not begin offering Dumpster Services within 22 months immediately following the execution of the then-current form of the Existing Franchisee Dumpster Addendum, we reserve the right to (a) grant the rights to provide Dumpster Services in your Territory to another third party; and/or (b) charge you our then-current initial dumpster services fee based on the population of the Territory for the right to offer Dumpster Services in your Territory.

The Business offers services to the general public, including residential and commercial customers, and the services are offered in an established, but growing market. You will compete with national, regional and local junk removal and recycling businesses. Demand may be impacted by the services offered by the trash removal services offered by municipalities. Our target market includes homeowners, property managers, contractors, realtors, storage companies, and various other types of businesses. The franchisees of our affiliate, Mr. Handyman, perform maintenance and repair services, including occasionally debris removal, and you may compete in your Territory with a MR. HANDYMAN® franchisee if they perform debris removal services, when you open for business or sometime in the future as the Mr. Handyman system expands.

Industry Specific Regulations

You must comply with federal, state and local laws and regulations for business licensing, commercial vehicle licensing laws and regulations, commercial driver licensing, insurance, local zoning, and environmental and waste disposal requirements pertaining to the junk removal and hauling business. Municipalities and neighborhoods may have laws, regulations, or rules relating to the placement and transportation of dumpsters. These laws vary from place to place. You are responsible for obtaining all licenses and permits required by applicable laws for performing the work of the franchise. There may be other laws that apply to the Business. You should investigate the application of these laws.

ITEM 2

BUSINESS EXPERIENCE

President: Paul Tis

Mr. Tis has been our Brand President since August 2025. From December 2023 until July 2025, Mr. Tis was the Vice President of Operations for Floor Coverings International in Norcross, GA. From November 2021 until November 2023, he was the Chief Operating Officer of Blue Spirit Group LLC in King of Prussia, PA. From July 2017 until July 2021, Mr. Tis was the Director of Field Operations for 1800 GOT-JUNK? LLC in Vancouver, Canada.

Vice President of Operations: Amy Davis

Ms. Davis has been our Vice President of Operations since April 2025. From March 2021 to March 2025, Ms. Davis was the Vice President of Operations for our affiliate, Five Star Painting. From January 2019 to March 2021, she was Vice President of Operations for Five Star Painting's predecessor. From January 2016 till January 2019, she was a Franchise Business Coach for Five Star Painting's predecessor.

From March 2015 till January 2016, Ms. Davis was a Sure Start Coordinator for Five Star Painting's predecessor.

Chief Executive Officer for Neighborly and Manager: Michael Anthony Davis

Mr. Davis has been our Chief Executive Officer since November 2024. Since July 2024, he has also been the Chief Executive Officer of a number of our affiliates and parent companies, including Neighborly, Manager, The Dwyer Group LLC, The Dwyer Group, Inc., TDG Intermediate, LLC, Balcones Holdco, Inc., Nest Bidco Inc., Nest Topco Borrower Inc., Nest Topco Guarantor Inc., and Nest Holdings Inc. From July 2022 until July 2024, he was the CEO of Mathnasium Center Licensing, LLC in Los Angeles, CA. From April 2021 till July 2022, he was self-employed as a consultant in Los Angeles, CA. From May 2017 until April 2021, he was the CEO of Valpak Direct Marketing Systems, LLC in St. Petersburg, FL.

SVP, Corporate Controller: Malia Gelfo

Ms. Gelfo has been SVP Corporate Controller for us and a number of our affiliates and parent companies since December 2024. From February 2023 until December 2024, she was Chief Accounting Officer for Likewize Corp in Southlake, TX. From December 2019 until February 2023, she was VP Corporate Controller for Reece Inc. in Dallas, TX.

VP of Finance: Heather Shipley

Ms. Shipley has been our VP of Finance since January 2026. From November 2025 until January 2026, she was Director of Business Analytics for KFC in Plano, Texas. From May 2024 until November 2025, she was Director of Strategic Planning for Yum! Brands in Plano, Texas. From August 2023 until May 2024, she was Director of Finance for Yum! Brands in Plano, Texas. From March 2022 until August 2023, she was Senior Finance Manager for Yum! Brands in Plano, Texas. From February 2020 until March 2022, she was Finance Manager for Yum! Brands in Plano, Texas.

Chief Marketing Officer: Stacy Lynn Bourgeois

Ms. Bourgeois has been our Chief Marketing Officer as well as the Chief Marketing Officer of Neighborly and a number of our other affiliates since December 2024. From May 2023 till November 2024, she was the Head of Product, Quality and Ops for Renewed with Amazon in Seattle, WA. From February 2021 until April 2023, she was the U.S. Head of Musical Instruments with Amazon in Seattle, WA.

Secretary of Manager and Franchisor, and EVP, General Counsel and Secretary of Neighborly: Grayson Brown

Mr. Brown has been the Secretary of Manager since May 2018. He has also been the Executive Vice President, General Counsel and Secretary of Neighborly and The Dwyer Group Inc. since May 2018. Previously, he was Vice President and General Counsel of Neighborly from August 2015 until May 2018. He has been our Secretary since November 2022. He is also the Secretary of our affiliates listed in Item 1 that offer franchises in the U.S. under separate franchise disclosure documents.

The following individuals are included here because they are either officers of Manager or they have management responsibility relating to the sale or operation of franchises offered by this disclosure document:

Group President: Georgeanne Erickson

Ms. Erickson has been Group President of Neighborly for the "Maintain Cluster" group of the Neighborly brands which group includes the Junk King brand, since March 2026. From January 2025 until December 2025, Ms. Erickson was Chief Marketing Officer for Fogo De Chao located in [Dallas, Texas. From November 2022 until January 2025, she was U.S. Chief Marketing Officer for Krispy Kreme located in Charlotte, North Carolina. From April 2021 until October 2022 she was Chief Brand Officer for Pizza Hut located in Plano, Texas.

Chief Information Officer for Neighborly: Gagan Sinha

Mr. Sinha has been the Chief Information Officer of Neighborly since September 2025. From April 2024 until September 2025, he was the Chief Information Officer for Bloomin' Brands in Atlanta, GA. From January 2021 until April 2024, Mr. Sinha was the Senior Vice President of Information Technology for Inspire Brands in Atlanta, GA. From February 2020 until January 2021, he was the Vice President of Information Technology for Dunkin' Brands in Canton, MA.

Chief Development Officer for Neighborly: Bradley Stevenson

Mr. Stevenson has been Chief Development Officer for Neighborly since October 2019.

Group Vice President of Franchise Development for Neighborly: Brian Wieters

Mr. Wieters has been the Group Vice President of Franchise Development for Neighborly since February 2022 in Waco, TX. From March 2018 until February 2022, he was the Executive VP of Enviro-Master Services in Charlotte, NC.

Except as otherwise stated above, the location of each of the positions described above was 1010 North University Parks Drive, Waco, Texas 76707.

ITEM 3

LITIGATION

Prior Actions

Donkae, Inc. v. Junk King SPV LLC, case no. 23009285CI, filed on Nov. 30, 2023 in the circuit court of the sixth judicial circuit in Pinellas County, FL. Plaintiff is a former Junk King franchisee who sold his Junk King franchised business to a third party buyer, EBY Management; however, following the sale, plaintiff sued EBY Management and obtained an injunction from a court mandating EBY Management to transfer the franchised business back to plaintiff. Plaintiff then sued us in this action after we terminated EBY Management's franchise rights. Plaintiff alleges tortious interference, civil conspiracy and fraudulent misrepresentation and seeks actual, consequential, and special damages, including lost profits, in an amount to be determined at trial, as well as a permanent injunction compelling us to transfer the franchise rights to plaintiff. We deny all allegations and intend to vigorously defend against the claims asserted by the plaintiff. The show cause order expired on February 24, 2026, we anticipate the court to send notice of dismissal for lack of prosecution shortly.

Prior Actions

Sidney J. Dumas, Sand Pointe Properties, LLC, ECO-X-PRESS, LLC v. Junk King Franchise Systems, Inc., (Case No. 01-15-0005-3308) filed before the American Arbitration Association ("AAA") on or about October 14, 2015. The plaintiffs, former franchisees, sought unspecified damages, general, economic, compensatory, special damages, punitive damages, costs and attorney fees in excess of $75,000 claiming that, as amended, JKFSI caused them to purchase a franchise as a result of fraud, negligent misrepresentation, promissory fraud, and also committed a breach of the covenant of good faith and fair dealing and a breach of contract. JKFSI vigorously denied the claims and filed a counterclaim for breach of the franchise agreement seeking $75,000 in damages, attorneys' fees, costs, and other fees incurred in this matter. On February 28, 2020, the parties entered into a settlement agreement in which the parties mutually released all claims against each other and agreed to dismiss the arbitration with prejudice by May 3, 2020.

Rondale, Inc. vs. Junk King Franchise Systems, Inc., (Case No. 01-19-0001-1633) filed before the AAA on or about April 15, 2019. The plaintiff, one of our area representatives, alleged that JKFSI breached its agreement by failing to report and share fees generated by a franchisee that operated in its territory and by failing to provide the plaintiff with an opportunity to exercise an option to purchase additional territory. The plaintiff sought $999,999 in damages, attorneys' fees, and specific performance. JKFSI denied the claims. On May 31, 2019, JKFSI filed a counterclaim asserting fraud in the execution of the master franchise (area representative) agreement, breach of contract, and breach of the implied covenant of good faith and seeking reformation of the master franchise agreement due to unilateral mistake, damages, attorneys' fees, and declaratory relief. On November 1, 2019, the plaintiff filed an amended claim adding us and Parent as defendants. On December 2, 2019, the parties entered into a stipulated dismissal dismissing JKFSI and Parent from the arbitration, leaving us as the sole defendant. On February 28, 2020, the parties entered into a settlement agreement in which, (i) neither party admitted any wrongdoing, (ii) the arbitration was dismissed with prejudice, (iii) the parties mutually released all claims against each other, (iv) we repurchased the area representative's territorial rights, terminating all agreements between the parties, and (v) we paid the plaintiff $2,721,380.43 in consideration of the foregoing.

JK Georgia LLC and JNKK Enterprises LLC v. Junk King Franchise Systems, Inc., (Case No. 17CIV04821) filed before the Superior Court of California, County of San Mateo on or about October 19, 2017. The plaintiffs, former franchisees, sought unspecified general, consequential, and incidental damages, attorneys' fees and costs, rescission of the Franchise Agreement, an injunction, and a declaratory judgment. The plaintiffs asserted claims of breach of contract, breach of the implied covenant of good faith and fair dealing, violations of California's Franchise Investment Law, negligent misrepresentation, fraud in the inducement, and unfair competition due to alleged misrepresentations in the Franchise Disclosure Document and other marketing materials provided to franchisees, alleged failures to provide training, marketing, and operational support, and allegations that the Franchise Agreement was against public policy. JKFSI vigorously denied the claims. The complaint was dismissed with prejudice on March 12, 2018 after the parties entered into a settlement agreement whereby JKFSI agreed to (i) pay $110,000 to JK Georgia LLC, (ii) assume JK Georgia LLC's truck loans, and (iii) repurchase the territory and assets from JNKK Enterprises LLC for an initial payment of $15,000 and $135,000 to be paid over 6 years. JK Georgia agreed to pay past-due royalties and ad fund fees of $1,475.40 and JNKK Enterprises LLC agreed to pay past-due royalties and ad fund fees of $1,873.56 plus outstanding debts to vendors.

Litigation by Us Against Franchisees in the Last Fiscal Year

During fiscal year 2025, we initiated 1 lawsuit against a franchisee.

Suit to Collect Monies Owed:

Junk King SPV LLC as successor in interest to Junk King Franchise Systems, LLC v. Eby Management Incorporated, David Lee Eby Jr., and Joan E. Eby, Case No. 25-CA-000535, file on January 23, 2025, in the thirteenth Judicial Circuit, Hillsborough County, Florida.

Administrative Order involving Affiliate and not involving the Franchisor:

The Commissioner of Business Oversight of the State of California v. FOR Franchising LLC d/b/a Window Genie and Richard Nonelle. On November 14, 2017, FOR Franchising LLC ("FOR"), a predecessor to our affiliate Window Genie that offered Window Genie franchises until March 2021, and Richard Nonelle, then-president of FOR, entered into a Consent Order with the Commissioner of Business Oversight of the State of California (the "Consent Order"). The Commissioner alleged that FOR and Mr. Nonelle had violated Section 31156 of the California Franchise Investment Law by failing to submit to the Commissioner copies of two advertisements offering a Window Genie franchise before such documents were provided to California residents in 2013. In an effort to resolve the matter in the most economical manner, and without admitting any liability or wrongdoing, FOR and Mr. Nonelle entered into the Consent Order and agreed, in full, final and complete resolution of the matter, that (a) FOR and Mr. Nonelle would desist and refrain from violations of section 31156 of the California Franchise Investment Law; (b) FOR would pay an administrative penalty in the total amount of $5,000 (which amount FOR paid) and (c) within 90 days of the date of the Consent Order, Mr. Nonelle and all persons employed by FOR who assist in preparing franchise registrations or who assist in franchise selling would attend remedial education of eight hours of franchise law training courses per person (which requirement has been completed).

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

Bankruptcy proceedings involving portfolio companies controlled by KKR (at the time of the bankruptcy proceeding) and not involving the Franchisor:

Marelli Holdings Co. Ltd. On June 11, 2025, Marelli Holdings Co. Ltd, a global technology partner to the automotive industry, filed for Chapter 11 proceedings in the United States Bankruptcy Court for the District of Delaware.

In re. The Collected Group LLC. The Collected Group LLC, a Delaware limited liability company (a fashion brand owner), located at 4775 Eucalyptus Avenue, Chino, California, filed a prepackaged Chapter 11 Plan of Reorganization in the United States Bankruptcy Court for the District of Delaware on April 5, 2021 (Case No.: 21-10663). The company emerged from bankruptcy on May 25, 2021 after completing a restructuring.

In re. Envision Healthcare Corporation. Envision Healthcare Corporation, a healthcare provider headquartered at 20 Burton Hills Blvd, Suite 500, Nashville, Tennessee, filed a Chapter 11 reorganization in the United States Bankruptcy Court for the Southern District of Texas on May 15, 2023 (Case No.: 23-90341). The company emerged from bankruptcy on November 3, 2023, after completing a restructuring.

In re. Genesis Care Pty Limited. Genesis Care Pty Limited, a healthcare provider, headquartered at Building 1 The Mill, 41-43 Bourke Road, Sydney, New South Wales, Australia, filed Chapter 11 reorganization in the United States Bankruptcy Court for the Southern District of Texas on June 1, 2023

(Case No.: 23-90614). The company emerged from bankruptcy on February 16, 2024, after completing a restructuring.

In re. IPI Legacy Liquidation Co. IPI Legacy Liquidation Co. (f/k/a Impel Pharmaceuticals Inc.), a commercial-stage pharmaceutical company, headquartered at 201 Elliott Avenue West, Suite 260, Seattle, Washington, filed a Chapter 11 reorganization in the United States Bankruptcy Court for the Northern District of Texas on December 19, 2023 (Case No.: 23-80016). The company emerged from bankruptcy on April 5, 2024, after completing a restructuring.

Café Coffee Day, an operator of a retail chain of cafes in India, headquartered at #23/2, Vittal Mallya Road, Bangalore, Karnataka 560001, India, filed an insolvency resolution in the Bangaluru Bench of the National Company Law Tribunal on August 8, 2024 (Company Petition (IB) No. 152/BB/2023). As of February 27, 2025, the Chennai bench of the National Company Law Appellate Tribunal passed the order, allowing the appeal of Coffee Day Enterprises, and set aside the National Company Law Tribunal's (NCLT) August 2024 insolvency order against the company. The initial petition for insolvency was filed on January 18, 2021 by creditors of Café Coffee Day.

Other than the above-listed proceedings, no other bankruptcy proceeding is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee (the "Initial Franchise Fee") upon executing your franchise agreement. Your Initial Franchise Fee depends on the number of persons that live in your Territory based on the most recently published data from the U.S. Census Bureau or such other source as we may indicate. The Initial Franchise Fee is calculated as $0.11 (eleven cents) multiplied by the number of persons living in your Territory. As a Territory will contain between 500,000 and 700,000 people, the Initial Franchise Fee will typically range between $55,000 to $77,000.

You must pay the Initial Franchise Fee in full when you sign the Franchise Agreement. The Initial Franchise Fee is fully earned upon receipt and is non-refundable. We do not offer any financing arrangement for the initial franchise fee.

In the year ended December 31, 2025, the average initial franchise fee paid by JUNK KING franchisees was approximately $64,734 and the initial franchise fee paid during that period ranged from $46,695 to $78,980 based on the population in the territory purchased.

VetFran Discount

As a member of the International Franchise Association ("IFA"), we participate in the IFA's VetFran Program. If you are a United States or Canadian honorably discharged veteran (as such term is defined by us in our sole discretion) who meets our qualifications for purchasing a franchise, we will discount the Initial Franchise Fee by 15%. In determining who is a "veteran," we may be guided, in whole or in part, by any definitions we find appropriate, including definitions used by the federal government of the United States or Canada, as applicable, in determining who is eligible for federal benefits intended for veterans.

If you qualify for the VetFran discount, you must have a 51% majority interest in the beneficial ownership and voting interest of the franchisee if the franchisee is a corporation, partnership or other entity at the time the franchise agreement is signed.

First Responder Discount

If you present us with evidence of past employment as a first responder, including a law enforcement professional, EMS professional, or firefighter, your Initial Franchise Fee will be reduced by 10%.

Roll-In Discount for Sales Volume Rolled in from an Existing Business

If you have an existing business with annual gross sales of at least $150,000, that business is similar to the franchise and you agree to merge it with the Business, we will discount the initial franchise fee by the percentage described in the table below, determined based on the amount of annual Gross Sales of your existing business that you agree to "roll-in" into the Business (the "Roll-In Discount"):

Percentage Discount	Annual Gross Sales of Existing Business
10%	$150,000 - $249,999
15%	$250,000 - $349,999
20%	$350,000 - $449,999
25%	$450,000 - $549,999
30%	$550,000 - $649,999
35%	$650,000 - $749,999
40%	$750,000 - $849,999
45%	$850,000 - $949,999
50%	$950,000 and above

Multi-Unit Owner Discount

If you have been a Junk King franchisee for at least 2 years, meet our qualifications for expansion, and purchase additional territory from us by executing a new Franchise Agreement, you will receive a discounted initial franchise fee based on the number of years you have been our franchisee, calculated as follows (the "Additional Territory Discount"):

Percentage Discount	Number of Years as Our Franchisee
5%	2
10%	3
15%	4
20%	5 years or more

Combination and Application of Discounts

You cannot use both the Roll-In Discount and the First Responder Discount.

Any questions about application or combination of discounts, including the order in which discounts may be applied, will be resolved by us in our sole judgment.

Purchase of an Existing JUNK KING Franchise.

If you are purchasing an existing JUNK KING business, we do not charge you an Initial Franchise Fee but you must pay us, upon signing of your Franchise Agreement, a non-refundable $3,000 training fee for which we will provide you our initial training program. (The training fee is in addition to any travel expenses you may incur in connection with the training).

Software System Enrollment Fee.

You must pay to us, or our designee, a nonrefundable enrollment fee for use of our Software System (currently, Junk King Junkware, Customer Engagement Platform, Neighborly Franchise Portal, enhanced security platforms, financial reporting platform (currently Qvinci), Tableau software, one Microsoft Office365 E1 email account, and one Microsoft Office365 Exchange email account). The amount of the enrollment fee is currently $1,250. The enrollment fee is currently collected via automatic bank draft from your bank account, at signing of the Franchise Agreement.

ITEM 6

OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
License Fee[1, 2]	(a) 8% of Gross Sales for the first 18 months immediately following the opening of the Franchised Business, and (b) beginning in the 19th month of operation of the Franchised Business, the greater of (i) 8% of Gross Sales; or (ii) $2,000 per month ("Minimum License Fee"). For "Roll-In" sales, please see the separate Fees Chart below in this Item 6.	By the 10th day of each calendar month	If you fail to timely submit a report, we will enter in a zero report for that week and you will automatically be charged the Minimum License Fee. For avoidance of doubt, all Gross Sales generated by the Business in servicing customers in TAFS or under the Preferred Lead Program or any Key Accounts program shall be subject to the License Fee (and any other fee calculated as percentage of Gross Sales).
MAP Fee[1, 2, 3,4]	The greater of (i) 2% of Gross Sales or (ii) Minimum MAP Fee (if applicable). The current Minimum MAP fee is $625 per month	At the same time as License Fee	Marketing, Advertising and Promotion Fund fee. See Fees Chart and notes. Please note that there is no Minimum MAP Fee for the

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
	for the first 18 months following the Effective Date of the Franchise Agreement and $845 per month for each month thereafter. See the Fees Chart for MAP Fees for "Roll-In" sales.		first 18 months for the Standard business. The minimum MAP Fee may be increased by up to 30% on an annual basis.
Local Marketing Groups[1, 2, 3,4]	Not to exceed 3% of Gross Sales; currently $400/month (and currently new franchisees receive a 6-month waiver of this fee). We may require that a portion of your LMG contribution be paid for use towards the Neighborly marketing and brand awareness initiatives.	Determined by LMG members	We designate local advertising markets and advertising cooperatives and/or local marketing groups for such markets (collectively, "LMGs"), and you must participate in and contribute to the LMG advertising and marketing programs in your market. Your contribution to the LMG will count towards any required Minimum Local Marketing Spending but any required Minimum Local Marketing Spending will not represent a limit on your LMG contributions (see Item 11).
Customer Care Center Fee[1, 2]	5% of Gross Sales.	Same as License Fee	You must participate in our customer care center program that processes customer requests for services, schedules estimates, refers service requests to franchisees and otherwise handles customer inquiries ("Customer Care Center"). These fees are currently paid to our affiliate, Neighborly Service Solutions SPV LLC, which passes a portion of these fees onto the third-party call service provider. We reserve the right to change these fees upon 30 days' notice but as of the date of this Disclosure Document we don't

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			anticipate any increase to be more than by 30% annually, in addition to any direct price increases from third-party vendors or price increases due to an increased scope of the services.
Software System Fees[1]	$303.49 per month, plus: Additional Microsoft Office365 Exchange, E1 and E3 email accounts are available at $5.50 - $30/month depending on type of email account. Additional Franchise Portal User Accounts are available at $20 - $40/month. Additional access rights to the Tableau data warehouse (beyond the first license) may be granted for an additional $12/month or $144/year. If you obtain QuickBooks Online through ZorWare, you will pay an additional fee of $30-$220 per month depending on the license tier that you select.	Monthly (Additional Tableau access rights, if paid annually, are due in June each year).	This fee currently covers the cost of the following technology platforms: license fee for Junk King Junkware, Customer Engagement Platform, Neighborly Franchise Portal, enhanced security platforms for all areas of the Franchised Business, financial reporting platform (currently Qvinci), Tableau software license, one Microsoft Office365 E1 email account, one Microsoft Office 365 Exchange email account and overall upgrades and maintenance of the servers, Tableau platforms and the Junk King® proprietary software system (the "Software System"). We have the right to audit you for compliance with the required number of email account licenses. If you obtain QuickBooks Online through ZorWare, QuickBooks Online will also be included in the Software System. These fees may increase in the future, but as of the date of this Disclosure Document we do not anticipate the fees to increase by more than 30% annually, in addition to increases due to additional or different software being added to the Software System and

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			direct price increases from third-party vendors. (See also Items 8 and 11). You must execute the Software System User and Maintenance Agreement included as Exhibit J to this Disclosure Document. We may update the Software System from time to time and require you to use different and/or additional proprietary and/or other software and you will be required to purchase/enter into software agreements/ licenses for such software as we (or the third-party supplier) specify and you will be required to pay to us or the third-party supplier fees for such software. Other QuickBooks add-ons that are not required may be available, such as QuickBooks Payroll, W-2 processing, etc. for additional fees.
Late Fees (on Software System Monthly Fees)[1]	$25 per month or the maximum amount allowed under the law, whichever is less.	As incurred	If you fail to pay the Software System Monthly Fees within 30 days of the invoice date, you will be required to pay this late fee.
Annual Convention ("Reunion") Fee[1]	Currently $1,000 plus travel, lodging, meals and other expenses	When you are billed, which may be via automatic bank draft, or within 30 days after Reunion via automatic bank draft	You are required to attend the Reunion each year (see Item 11). We charge you a per-person registration fee to attend the Reunion. We may charge you up to $2,000 if you do not attend or participate in the Reunion and/or Meeting on a pro-rata basis based on number of days you miss at said convention. We may increase these fees but as of the date of this

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			Disclosure Document we don't anticipate these fees to increase by more than 30% annually in addition to any increases from third-party vendors.
Regional Meeting (the "Meeting") Fee[1]	Currently $99 plus travel, lodging, meals and other expenses	Fee payable to us upon notice, expenses payable as incurred	We require you to attend the Meeting each year (see Item 11). We charge you a per-person registration fee to attend the Meeting. We may charge you up to $2,000 if you do not attend or participate in the Meeting and/or Reunion on a pro-rata basis based on number of days you miss at said convention422.. We may increase these fees but as of the date of this Disclosure Document we don't anticipate these fees to increase by more than 30% annually in addition to any increases from third-party vendors.
Transfer Fee[1]	The greater of: (i) $7,500 or (ii) 5% of the sale price.	Before transfer.	We may discount or waive the transfer fee if the transfer is to a legal entity you control or to a member of your immediate family (See Section 10.C. of the Franchise Agreement).
Late Fees[1] (Franchise Agreement)	$10 per day	On demand	Applies to fees that are overdue.
Administrative fee – Late Payment, Dishonored Check or ACH Draft[1]	$50	On demand	You must pay us this fee for each check returned or ACH draft refused by your financial institution for insufficient funds in your account or if your payment is late.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Interest[1]	12% on unpaid balances	On demand	Payable on all overdue amounts. The twelve percent (12%) charge is calculated as a per annum rate but may be collected on demand, including weekly or monthly through automatic bank draft.
Audit[1]	Cost of audit plus expenses, plus any amount owed as shown by the audit, plus interest and late fees	When you are billed	Payable only if we find an understatement of Gross Sales of 2% or more or if you fail to provide requested information within 30 days of our request
Audit Noncompliance Fee	$500 per document (up to $2,500 per audit) that you fail to timely make available to us in connection with an audit; And/or: cost of audit, if audit is rescheduled due to your failure to cooperate with the audit	On demand	Payable if you fail to timely make available to us requested documents in connection with an audit. In addition, if we must reschedule an audit due to your lack of cooperation, you will be required to pay for the cost of the audit.
Renewal Fee[1]	$5,000	On renewal	See Item 17 for terms and conditions for renewal.
Amendment Fee[1]	$300	When you are billed	You must pay us a processing fee for modifications to your franchise agreement that are made at your request. When you request an amendment to your franchise agreement or related agreements, we may require that you sign a general release releasing us from all claims you may have except claims which, under state law, may not be released.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Indemnification and attorneys' fees and costs[1]	Varies according to loss	On demand	If we must engage an attorney to enforce our rights under the Franchise Agreement and we prevail, or if we are sued because of something you do or fail to do, you must indemnify us and/or reimburse us for all costs, including reasonable attorneys' fees (which may include outside counsel fees and in-house legal costs charged at rates comparable to outside attorneys), interest, court costs and expenses expended or incurred in enforcing our rights.
Tax Reimbursement[1]	Varies according to tax	When you are billed	You must pay us or to taxing authorities (as applicable) an amount equal to any sales tax, use tax, gross receipts tax, documentary stamp tax or similar tax (other than income tax), fees or charges imposed on us due to any required payments you make to us. You must pay us such additional amounts as necessary so that we receive all payments from you in full as if no such tax applied.
Key Account fees[5]	Varies, typically a fee equal to 2% to 20% of the invoice amount	At time of invoicing	If we handle the billing, invoicing, and collections for a Key Account, we will pay to you the Gross Sales we receive from the Key Account related to services provided by you in the Territory, less this administrative fee specified for each job by us. We determine the fee for each job based on the size of the load and our arrangement with the Key Account.
Key Account Non-compliance fee	The dollar value of the applicable Key Account job plus 20% processing fee	Upon demand	If you refuse or otherwise fail to service a Key Account job, you will be required to pay us an amount equal to the dollar

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			value of the Key Account job plus a 20% processing fee; provided that your payment of such amount shall not waive any of our other rights or remedies under the Franchise Agreement and under applicable law, including, without limitation, termination of the Franchise Agreement if you thereafter continue to fail to comply with your obligations under the Key Accounts program.
Third-Party Payments[1]	Our actual costs, including interest and penalties, plus a fee of the greater of $35 or 5% of the payment amount	As incurred	If we pay monies to a third party on your behalf (including a supplier due to your non-payment), you agree to reimburse these costs to us, along with these fees to compensate us for our administrative costs.
Additional Training Fees[1]	The then-current fee, currently $500 per day, plus out-of-pocket expenses.	When you are billed	If you request training in addition to the initial training program (see Item 11), we may charge you a training fee, plus you must pay your costs and expenses in connection with such training. We may increase the fee but as of the date of this Disclosure Document we don't anticipate the fee to increase by more than 30% annually.

Notes:

1. **Fee Payment Information**. All fees are non-refundable and, except as otherwise provided, all fees are uniformly imposed. All fees are imposed by us and are payable to us, except the fees for any LMG fees, which are imposed by us, and may be payable to us or the LMG. You may be required to pay by automatic bank draft all current and future fees specified in this Item 6. See Item 11 for information about electronic reporting of Gross Sales and payment of fees by automatic bank draft. Some banks or other financial institutions may charge a fee for electronic transfers.

Currently, we require that you also license QuickBooks Online either directly from our designated vendor, Intuit Limited, or through ZorWare. If you license QuickBooks Online through ZorWare, you will

pay the QuickBooks Online fee to ZorWare as noted in the Item 6 table above and your use of QuickBooks Online will be subject to the Software System User and Maintenance Agreement.

2. **Gross Sales**. Gross Sales include the total revenues and receipts from whatever source (whether in the form of cash, credit, agreement to pay, barter, trade or other consideration) that arise, directly or indirectly, from the operation of — or in connection with — your Business whether under any of the Marks or otherwise. Gross Sales exclude sales taxes collected from customers and paid to the appropriate taxing authority and any other bona fide refunds, rebates or discounts that we authorize in writing.

3. **License Fees and MAP Fees**. From and after you execute your Franchise Agreement, you begin to report Gross Sales and pay us a monthly License Fee and MAP fee based on the Gross Sales during the previous calendar month, determined as described in the Fees Chart below. All payments of the License Fees and MAP Fees (together with the report of Gross Sales) must be submitted to us by the 10th day of the calendar month for the prior month's Gross Sales.

4. **Minimum Local Marketing Spending; Local Marketing Groups/Advertising Cooperatives**.

You must spend an amount annually on approved local marketing and advertising of your Business (the "Minimum Local Marketing Spending") (as defined below). Regardless of whether we impose the Minimum Local Marketing Spending on you, you must spend $40,000 for local marketing during the first 12 months of the operation of your Business and $50,000 for local marketing during months 13-24 of operation of your Business (the "Initial Marketing Spend Requirement" and the Minimum Local Marketing Spending, collectively, the "Minimum Local Marketing Amounts"). After the time period covered by the Initial Marketing Spend Requirement, you must spend an amount each month on approved local marketing and advertising of your Business (the "Minimum Local Marketing Spending") equal to the greater of: (a) 10% of the average Gross Sales of the Franchised Business per month during the immediately preceding calendar quarter or (b) $4,000. We may reduce the required amount after the third (3rd) anniversary of the scheduled opening date based upon the depth of your market penetration in the Territory.

The amount you spend on Minimum Local Marketing Spending will be in addition to any MAP fees you must pay to us. Amounts paid to an LMG will count towards the Minimum Local Marketing Spending, as more particularly described in the Manuals. If you fail to make the required expenditures, we have the right to collect the deficiency and spend it as provided below in this paragraph. We reserve the right to require you to use one or more designated vendors in connection with your local marketing and promotional activities. In addition, we reserve the right to collect (on a monthly or quarterly basis, as we may from time to time designate) the Minimum Local Marketing Spending and in return provide to you local promotional, marketing and advertising materials and related services to promote the Business in the Territory. Should your franchise agreement terminate prior to our providing such local promotional, marketing and advertising materials and related services in the Territory, we reserve the right to contribute the Minimum Local Marketing Spending collected to the MAP Fund.

If advertising cooperatives are set up, franchisor-owned outlets will not have controlling voting power, although as franchisor, we will set the contribution rates and franchisor-owned outlets will contribute at the same rate. If your territory is in a geographic area that is subject to an existing advertising cooperative, the cooperative may determine your contribution rate.

If local marketing groups are set up, the franchisor will set the contribution rates and franchisor-owned outlets will contribute at the same rate; the members will have no votes but they will advise the franchisor on the local marketing group's strategies and initiatives.

5. **Key Accounts and Third Party Fees.** You must participate in our Key Accounts program and comply with all Key Accounts standards and procedures described in the Operations Manual and/or as we may otherwise communicate to you, which participation may, in some cases, require you to use us or an affiliate as the billing provider on the account. Key Accounts may require use of additional software.

FEES CHART

LICENSE FEES AND MAP FEES

ALL FEES EXPRESSED IN PERCENTAGES ARE CALCULATED BY MULTIPLYING THE PERCENTAGE STATED BY GROSS SALES FOR EACH MONTHLY PERIOD. SEE NOTES BELOW.

License Fees[1]			
Type of Fee	**Months 1-18**	**Months 19-24**	**Month 25 - End**
Standard	8%	Greater of 8% or Minimum License Fee	Greater of 8% or Minimum License Fee
Small Roll-In	Greater of 4% or Minimum License Fee	Greater of 7% or Minimum License Fee	Greater of 7% or Minimum License Fee
Medium Roll-In	Greater of 4% or Minimum License Fee	Greater of 6% or Minimum License Fee	Greater of 6% or Minimum License Fee
Large Roll-In	Greater of 4% or Minimum License Fee	Greater of 4% or Minimum License Fee	Greater of 5% or Minimum License Fee

MAP Fees				
Type Fee	**Months 1-18**	**Months 19-24**	**Months 25-36**	**Month 37 - End**
Standard	2%	Greater of 2% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee
Small Roll-In	Greater of 1% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee
Medium Roll-In	Greater of 1% or Minimum MAP Fee	Greater of 1% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee
Large Roll-In	Greater of 1% or Minimum MAP Fee	Greater of 1% or Minimum MAP Fee	Greater of 1% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee

Notes:

1. **Small Roll-In, Medium Roll-In, and Large Roll-In**. A "Small Roll-In" is an Existing Business with $150,000 to $249,999 in annual gross sales volume that you agree to "roll-in" to the franchise; a "Medium Roll-In" is an Existing Business with $250,000 to $499,999 in annual gross sales volume that you agree to "roll-in" to the franchise; and a "Large Roll-In" is an Existing Business with $500,000 or more in annual gross sales volume that you agree to "roll-in" to the franchise. Special License

Fee and MAP Fee rates apply with respect to Small Roll-In, Medium Roll-In, and Large Roll-In at certain times, as described in the two tables above.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Franchise Fee (Note 1)	$55,000	$77,000	Lump sum	At signing of Franchise Agreement	Us
Travel and Living Expenses While Training (Note 2)	$1,200	$5,000	As incurred	Before opening	Third-party Vendors
Inventory and Supplies (Note 3)	$800	$1,500	As incurred	Before opening	Third-party Vendors
Fixtures, Furniture, and Equipment (Note 4)	0	$3,000	As incurred	Before opening	Third-party Vendors
Signage (Note 5)	$500	$1,000	Lump sum	Before opening	Third-party Vendors
Vehicles (Note 6)	$10,000	$30,000	Lump sum	Before opening	Third-party Vendors
Office and Warehouse Lease (Note 7)	$1,500	$7,000	As incurred	Monthly	Landlord
Professional Fees (Note 8)	$0	$3,000	As incurred	As incurred	Third-party Vendors
Security Deposits, Utility Deposits, Business Licenses and Other Prepaid Expenses (Note 9)	$2,200	$5,000	Lump sum	Before opening	Outside Suppliers
Additional Funds- 3 months (Note 10)	$50,000	$103,500	As incurred	Before opening	Suppliers, Utilities, etc.
TOTAL (Note 11)	**$121,200**	**$236,000**			

Notes:

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

Note 1. The initial franchise fee is $0.11 (eleven cents) multiplied by the population in the Territory. The estimate is based on the purchase of a Territory with 500,000 to 700,000 persons. You must pay the initial franchise fee in full when you sign the franchise agreement. We may agree to finance a portion of the initial franchise fee, depending on your credit-worthiness, the collateral that you have available and our then-current financing policies. Monthly payments depend on the amount financed. See Item 5 for more

information about the initial franchise fee (including applicable discounts), see Item 10 for more information about financing and see Item 12 for more information about Territory.

Note 2. Travel and living expenses to attend initial training will vary significantly depending upon the distance you travel to attend initial training, whether you travel at peak or off season, which day of the week you travel, the amount of advance time before booking, the grade or level of lodging that you choose, and grade of restaurants at which you predominantly choose to eat.

Note 3. You will need uniforms and standard office supplies.

Note 4. Unless you have these items already, you will need a computer with internet access, anti-virus protection, printer, e-mail, telephone, scanner, desk, chairs, file cabinet, tools, trash cans, recycling bins, cell phones, GPS, and truck equipment. Further, you must maintain a dedicated telephone number for use as a franchisee. Further, we reserve the right to specify your purchase and use of reasonable software for operation of the Business.

Note 5. You will need to purchase signage for your office/warehouse space.

Note 6. You will need to purchase an Isuzu truck cab equipped with a custom-made 18-cubic yard box on the back equipped with a custom-made 18-cubic yard box on the back or a similar approved vehicle as we deem appropriate. The estimate includes a down payment on the customized truck and the box. If you choose to pay cash, or if you are unable to obtain financing, the cash price of the truck will be approximately $96,000 to $100,000, plus applicable delivery charges and tax. You may lease your truck only if it is a lease to own.

Note 7. You must secure warehouse/administrative office space and space for recycling. You must maintain sufficient space to operate computer and telephone equipment, maintain records, and provide a processing area for material that will be recycled. We estimate that you will need approximately 1,200 to 2,500 square feet of space to begin operation of the Business, however, up to 5,000 square feet is acceptable. This estimate assumes that you will rent a space between approximately 1,200 to 2,500 square feet of space. If your facility is larger, your costs will be higher.

The estimate assumes you will lease the space and includes your first and last month's rental payment. Your rent will depend on the site's size, condition, accessibility, and location, local market conditions, and demand for the premises among prospective lessees. In certain major metropolitan markets such as Boston, Chicago, New York, Los Angeles, San Francisco, Seattle, and Washington, D.C. and in certain other high demand districts, prevailing market rents could be significantly higher than the high estimate. You should consult with a local commercial real estate broker to get a more accurate estimate of costs in your market.

Note 8. These are estimates for fees that will be charged by your attorney to review the franchise agreement and other documents, to advise you and to incorporate a business entity on your behalf if desired. This estimate also includes fees charged by an accountant and/or financial advisor. Actual fees will depend on the specific work you request, the advisors you select and the rates for professional fees in your area.

Note 9. This estimate includes the cost of various permits, local and state license and government fees, utility deposits, prepaid tax payments, which you may be required to pay in connection with setting up the business.

Note 10. This is an estimate of the amount of additional operating capital that you may need during the pre-opening period and the first three months after opening your business. This estimate includes additional funds you may need to pay employee salaries and wages, License Fees, MAP Fees, Customer Care Center

Fund fees, legal and accounting fees, your monthly advertising obligations, insurance premiums, health and workers' compensation/Workman's Compensation insurance, bank charges, miscellaneous supplies and equipment, staff recruiting expenses, ongoing rent, vehicle financing payments, and other miscellaneous items. We recommend a minimum of one full-time and three part-time employees to start this business, which includes a minimum of one driver and two navigators. Wage rates and benefits vary by geographic area and the nature of job position. This estimate includes payroll costs that you may incur prior to opening (including during training). The expenses you incur during the start-up period will depend on factors such as local economic and market conditions, your business experience, and the amount of business you generate. Costs of insurance may not be refundable and may vary widely. You must purchase insurance coverage. This estimate does not include compensation for your time or labor. Therefore, you will also need sufficient savings or source of income to cover your personal living expenses during the start-up phase of the Business.

Note 11. We have relied on our 15 years of experience in the business as well as information provided to us by our franchisees to compile these estimates. These figures are estimates of your initial expenses covering the pre-opening period and your initial three months of operation.

This estimate does not include the cost of providing Dumpster Services because you are not required to offer Dumpster Services during the first three months of the operation of the Franchised Business. When you begin to offer Dumpster Services in your Territory through your Franchised Business, you must purchase at least seven dumpsters and a second vehicle capable of hauling a dumpster (which collectively are estimated to cost between $130,000 and $150,000 plus applicable delivery charges and tax).

Renewal and Purchase of Operating Franchises

If you are renewing your franchise or if you are purchasing an operating franchised business (as opposed to a territory that has not yet been developed), the above costs will not apply except to the extent they apply in your ongoing business. You will pay a Renewal Fee of $5,000 instead of an Initial Franchise Fee when you renew the franchise. Also, in the case of a resale/transfer (purchase of an existing Business), we charge a transfer fee in an amount equal to the greater of (a) $7,500 and (b) 5% of the sales price of the business and you must pay us a $3,000 training fee for which we will provide you our initial training program. If you choose to have legal review of your renewal franchise documents, the cost item above titled "Professional Fees" would apply but we estimate the amount to be approximately $4,000 for a renewal since your business has already been formed. The $5,000 estimated in the case of review of a franchise agreement and formation of a legal entity to be the franchisee, if needed, would apply in the case of a resale/transfer. This estimate does not include the cost of preparing and negotiating the purchase agreement with the owner of the franchised business you are purchasing, if applicable, and you must make your own estimate of those costs. If you are acquiring an operating franchise, you will pay to the selling franchisee a purchase price for the business, which purchase price you will negotiate with the selling franchisee.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must maintain the highest standards of quality and workmanship in order to provide the highest quality of service to your customers. You must use in the operation of your Business, and in the offer and sale of the services and products we approve, only those techniques, procedures, and supplies we specify in writing. You must offer all, and only such, products and services as we approve from time to time. We may change any of our requirements periodically. We will notify you of any changes to the standards or the Manuals.

Approved Supplies and Suppliers

We may furnish you from time to time lists of approved supplies and approved suppliers. We reserve the right to require that you only use approved products, inventory, supplies, uniforms, tools, equipment, signs, telephone and internet equipment and service, advertising materials, and other items (the "approved supplies") in the Business as described in the approved supplies and approved suppliers' lists, as we may amend from time to time. We also may develop and research new products or services as we determine necessary. We reserve the right to designate a primary or single source of supply for certain products and supplies, and we or our affiliates may be that single source. You must pay the then-current price in effect for any purchases from us or our affiliates. You may not contract with an alternative supplier for any products and/or services for which we have designated a supplier.

You may purchase from other suppliers if you follow our supplier approval procedures, as described in the Manuals, and obtain our prior written approval. You must give us at least thirty (30) business days' prior written notice if you wish to purchase from a source other than our approved suppliers. We may require that samples be delivered to us or to a designated independent testing laboratory for testing before our approval is given. You must pay upon demand our (or the third party's) actual costs of the testing and any related costs/expenses (regardless of whether we grant an approval). We will usually notify you of our decision within 10 days after we receive the test results. Additional or different procedures may be required for approval of services, software or other special items, as described in the Manuals. We reserve the right to revoke our approval at any time upon the supplier's failure to meet our then-current criteria.

Currently, you must purchase the following from our specific vendors: accounting software from Intuit QuickBooks Online, human resource, payroll, and benefits outsourcing services from Paychex, and invoicing software from Intuit Merchant Services, and GPS services from Linxup GPS.

We may also require that other products, supplies, equipment, inventory or services you use in connection with the operation of your Business meet our then-current specifications (as we may from time to time modify). Currently, you must purchase the following items pursuant to our specifications: computer hardware and software, equipment, signs, supplies, and tools, Vehicles, truck equipment, advertising materials, employee uniforms, insurance, dumpsters, and the site of the Franchised Location.

Software System

You must obtain the Software System from us and pay us the Software System Fee for your usage, as described in Item 6. We may update the Software System from time to time and require you to use different and/or additional proprietary and/or other software and you will be required to purchase/enter into software agreements/licenses for such software as we (or the third-party supplier) specify and you will be required to pay to us or the third-party supplier fees for such software.

Customer Care Center; Unclosed Estimate Program

Currently, you must participate in our Customer Care Center and pay us the Customer Care Center Fee as disclosed in Item 6. Through the Customer Care Center, we are the sole supplier of all call center and related customer care services for your franchised business. We may modify or discontinue the Customer Care Center at any time upon notice to you. You must also participate in our Unclosed Estimate Program, pursuant to which our Customer Care Center provides follow up outreach to potential customers of the Business for whom you have prepared job estimates in an effort to secure the customer jobs. We may modify or discontinue the Unclosed Estimate Program or Customer Care Center at any time upon notice to you.

Other than with respect to the Customer Care Center, the Unclosed Estimate Program and the Software System, neither we nor our affiliates are currently the only approved supplier for any products or services, but we and our affiliates may be approved suppliers for other/additional products and services in the future.

We believe the Software System fees and the Customer Care Center fees are equal to or lower than the prevailing market price you would obtain if you engaged a third party on your own to provide comparable services of a comparable quality on a consistent basis. This does not mean that we offer the lowest price; however, based on our experience, vendors that provide lower pricing for a single franchisee or a small group of franchisees and/or for a limited time do not promote the same level of uniformity in long-term system-wide product quality and service that we, as the franchisor, or our affiliates are able to provide. The Software System fees and Customer Care Center fees include a mark-up to offset our (or our affiliate's, as applicable) costs of administering and managing the Software System related services and the Customer Care Center; such mark-up exceeds our (or our affiliate's, as applicable) direct costs of the Software System related services and the Customer Care Center, and we or our affiliate (as applicable) may derive a profit from the Software System fees and the Customer Care Center fees.

Vehicles

You must purchase one Vehicle upon startup and an additional Vehicle after you have been in operation for eight months, or when your existing Vehicles(s) average three jobs per day over an average of ten business days, whichever comes first. After that, you are required to purchase an additional Vehicle whenever your existing Vehicles average three jobs per day over a fourteen-day period. Vehicles shall meet our specifications as stated in the Manuals. You are prohibited from using any other box trucks, trailers, vehicles, or dumpsters that are not approved by us or meet our specifications. You may not lease Vehicles, unless you participate in an approved lease-to-own program that we may from time to time offer with an approved supplier.

Dumpsters

In order to be able to provide the Dumpster Services in your Territory through your Business, you must purchase at least seven dumpsters and a second vehicle capable of hauling a dumpster. The dumpsters and vehicle must meet our minimum specifications and may need to be purchased from a vendor that we designate.

Marketing Materials

We are an approved supplier of advertising materials, but not the only approved supplier.

All advertising and promotional materials, signs and other items we designate must bear the Marks (see Item 13) in the form, color, location and manner we specify. Your advertising and promotion must meet our standards as described in the Manuals or otherwise by us in writing. You may prepare and use your own advertising or promotional materials provided that we have approved them in writing prior to use.

Telephone Numbers and Electronic Identities

The telephone numbers and electronic identities you use in connection with the Business must be owned and controlled by us or an approved supplier. We require you to "port" or transfer to an approved call routing and tracking supplier all phone numbers associated with the Business or published in any print or online directory, advertisement, marketing or promotion associated with the Marks and/or the Business.

Purchasing Arrangements and Rebates

We do not provide you with any material benefits based on your purchase of particular products or services, or your use of designated or approved sources. Our affiliate, ProTradeNet, negotiates and enters into purchase arrangements, which may include discounted pricing, special terms, rebates or other incentives with suppliers for the benefit of our franchisees. We may also negotiate or enter into these types of arrangements directly. ProTradeNet has and may enter into relationships with other buying groups, which may include competitors, for the purpose of improving negotiating strength and purchase volume for the entire group. We or an affiliate (including ProTradeNet) may make available to you the opportunity to participate from time to time in certain discounts, rebates, or other benefits in connection with approved suppliers (collectively, "Rebates"), if you meet certain conditions, such as supplier terms and conditions and attendance at annual meetings. All Rebates not returned to franchisees may be retained by us or our affiliate (including ProTradeNet) and used to cover administrative costs or to promote our system and brands. Although neither we nor ProTradeNet have any contractual obligation to pay you Rebates, in most instances, but subject to change and vendor relationships, on average, ProTradeNet will retain 25% of all Rebates, pay 25% of all Rebates to us and pay 50% of all Rebates to you, the franchisee, based on qualifying purchases. The Rebates received by ProTradeNet from suppliers are generally a percentage of each supplier's annual billings to franchisees with respect to certain products or services provided by the supplier to the franchisees. In 2025, these Rebates ranged from 1% to 25% of the suppliers' annual billings to franchisees. Some suppliers may also pay additional fees for advertising, which fees range from $500 to $35,000; for marketing, which fees range from .5% to 1% of total qualified purchases by franchisees from the supplier; and for sponsorships and tradeshow space, which fees range from $500 to $175,000, for the purpose of promoting their product or service to franchisees. All of these amounts and percentages, including the percentages of Rebates retained by ProTradeNet and paid to us and to you and all additional fees, may change in the future at our sole discretion. The agreement you are required to sign with ProTradeNet to participate is included as Exhibit I hereto, and additional terms and conditions, which may change from time to time, are included on the ProTradeNet website, www.protradenet.com. While you are required to enter into the ProTradeNet Agreement, you are not required to purchase any items under the ProTradeNet Program except as otherwise stated in this disclosure document or required by your Franchise Agreement, our Manuals or our policies and procedures. However, certain benefits, Rebates and special pricing will be available to you only if you participate on the terms required by ProTradeNet or each individual supplier.

We may derive revenue as a result of your required purchases. Amounts listed below are based on cash received and cash disbursed. Some Rebates may be received and the portion of any that are disbursed may be held until the next national meeting before being disbursed. Not all suppliers provide Rebates. A complete listing of suppliers providing Rebates and their rates is available from ProTradeNet.

- In the year ended December 31, 2025, we had revenue of $4,447,565, or about 26.85% of its total revenues of $16,562,322, as a result of purchases by JUNK KING franchisees from approved suppliers or under our specifications or as a result of purchases, if any, directly from us. These figures were computed from our internal accounting records for the year ended December 31, 2025.

- In the year ending December 31, 2025, BackOffice had revenue of $8,599 from purchases by franchisees. These figures were taken from financial statements of BackOffice's internal accounting records for the year ending December 31, 2025.

- In the year ended December 31, 2025, ProTradeNet had revenue of $21,674 from required purchases by JUNK KING franchisees.

- In the year ended December 31, 2025, ZorWare had revenue of $360,571 from required purchases by JUNK KING franchisees.

- We or our affiliates may receive a commission from the brokerage of a capital lease or other equipment finance, should you require financial assistance from third parties.

You must comply with all terms and conditions applicable to these programs to receive the discount or Rebate. Additional information is available by contacting us. These programs may be changed or discontinued at any time. Other than the ProTradeNet program described above, we do not currently participate in any purchasing or distribution cooperatives. We or our affiliate(s) may from time to time negotiate purchase arrangements with suppliers (including price terms to the extent permitted by law) for the items and services described in this Item 8 that you may obtain only from designated sources.

Key Accounts Program

We offer a Key Accounts program. From time to time we evaluate opportunities for Key Accounts which might be best administered through us, our parent, an affiliate or a third party, as we determine in our discretion. You must participate in our Key Accounts program, subject to compliance with the standards and procedures of the program. We, Neighborly Service Solutions, and/or a third party we select, may solicit Key Accounts for the franchisees of certain franchise systems affiliated with Neighborly, including us. A "Key Account" is a customer account which may be national or regional and cover multiple customer locations (within and/or outside your territory) with whom we have entered into arrangements (i) for servicing of multiple locations of such customers and/or (ii) that we determine are designed to benefit the System as a whole by gaining otherwise unavailable business or addressing the concerns of such customers that may require specific terms or provisions of our arrangement with them, including without limitation special insurance, experience, equipment, pricing, payment terms, turnaround requirements, or approvals. A Key Account is generally, but not always, a large organization with multiple locations that need products and services provided by franchisees in our franchise system and/or the franchise systems of our affiliates around the country or in a region or other area. The agreement to provide services may be formal or informal and the account may be administered by us, an affiliate or a designee of ours. In some cases our Key Accounts program provides a central number customers may call for those services. You must comply with the terms we specify, which may include provisions that require the payment of management fees or other fees, including sales commissions or similar payments, offering of special products or services at certain times or for certain prices (to the extent allowed by law) and special insurance, indemnity, quality control and other provisions. You may also be required to enter into additional agreements required by a Key Account or our policies and procedures. The Key Accounts administrator (which may be us, our affiliate or a third-party designee) may collect payments from Key Account customers and distribute payments to franchisees for work provided but has no obligation, and we have no obligation, to make any payments to you for work to the extent payment in good funds by the Key Accounts customer has not been made to us or the administrator. We and/or the administrator of the Key Accounts program have the right to charge additional amounts, including commissions or other fees or charges, to third parties and/or to Key Account customers on account of work performed on Key Accounts by you or other third-party service providers.

Insurance

Before you begin operating your Business, you must purchase, and maintain at all times during the term of your franchise agreement, at your cost, insurance coverage, from a responsible carrier, with an A.M. Best rating of A-VIII or better, with the coverage amounts, types and other features as we from time to time specify, using the insurance industry form(s) acceptable to us, and such other insurance coverage as required by law and any other agreement related to the Business. We reserve the right to designate a primary or single source for all or any of the insurance coverage for the Business, and we or our affiliates may be that

primary or single source. We may develop an insurance program and require you to participate in it. Any person or entity with an insurable interest that we designate (each, an "Additional Insured") must be named an additional insured on all required liability policies. Each insurance policy must contain a waiver of subrogation in favor of the Additional Insureds. Your insurance must apply as primary and non-contributory. Currently, our minimum insurance requirements include (i) commercial general liability insurance, with minimum liability coverage of $1,000,000 per occurrence (including Products/Completed Operations and Personal Injury and Advertising Injury) and $2,000,000 in the aggregate; (ii) auto liability coverage, combined single limit in the amount we specify, up to $2,000,000 but no less than $1,000,000, on each owned, non-owned or hired vehicle used in connection with the Business; (iii) workers' compensation coverage, regardless of whether required by state law, with minimum coverage as required by state law (if applicable); (iv) $500,000 per claim and in the aggregate cyber-liability insurance for financial losses arising from unauthorized access, loss or corruption of data, including but not limited to privacy and data security breaches, misdirected funds, virus transmission, denial of service and loss of income from network security failures; and (v) such other insurance as from time to time required by us, under applicable law and under other agreements applicable to your Business. With respect to Key Accounts, if the insurance amount required for any Key Account or for Key Account work in general exceeds the amount specified as the maximum amount required by us for any type of insurance, that higher amount required for the Key Account work will apply. Additional insurance requirements are described in the Operations Manual.

You must deliver to us at commencement and thereafter annually or at our request a proper certificate of insurance evidencing the existence of the required insurance coverage. We also may request copies of all insurance policies. We may modify the required minimum limits and types of coverage, by written notice to you. Upon such notification, you must immediately implement the modification of the policy, and provide evidence thereof, in accordance with our request. You may satisfy the insurance coverage limits through an umbrella policy that meets all our requirements. We have the right to terminate your Franchise Agreement for cause if you fail to comply with our insurance requirements.

Accounting Software and Other Requirements

We may require that you engage the services of a certified public accountant and bookkeeper to assist you with the set-up of your books and records, in using the appropriate chart of accounts that we require and in producing monthly and annual compiled financial statements. We may provide you with information about companies we are aware of that offer these services to our franchisees, which may include services provided by our affiliate BackOffice. We require that you use an appropriate chart of accounts, comply with our operating procedures and specifications, including internal audit standards, and use our required software (as part of the Software System) and that your accounting must also be compatible with our required Software System. Currently, we also require that you license QuickBooks Online (either directly from our designated vendor, Intuit Limited, or through our affiliate ZorWare as described in Item 6).We may, upon demand, require you to provide us, within the time as we specify, with audited financial statements, using an independent certified public accountant designated by or satisfactory to us, to adopt a fiscal year consistent with ours, to cooperate with our auditors and to comply with such additional requirements as may be reasonably necessary to enable us to meet our obligations under Generally Accepted Accounting Principles and to comply with applicable accounting standards and rules.

None of our officers currently have an ownership interest in any approved supplier.

The cost of items purchased in accordance with our specifications represents approximately 10% to 20% of your total purchases in connection with the establishment of your Business and approximately 10% to 30% of your on-going purchases in connection with operation of your Business.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

	OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
a.	Site selection and acquisition/lease	2, 5(A) and Schedule A	11
b.	Pre-opening purchase/leases	5(A) – (F); 9(C)	7, 8 & 11
c.	Site development and other pre-opening requirements	5(A) – (F); 9(C)	7, 8 & 11
d.	Phase I and Phase II and ongoing training	6	11
e.	Opening	5(A) – (F); 9(C); 6; Schedule A	11
f.	Fees	8; 10(C); Schedule A	5, 6, 7 & 11
g.	Compliance with standards and policies/Operating Manual	2(A), (B); 3; 5; 6; 8(H), (I); 9;	11
h.	Trademarks and proprietary information	3; 5(G), 5(J), Schedule F	13 & 14
i.	Restrictions on products/services offered	2(A); 3(A) - (C); 5(C), (D), (K), (L), (M) and (R)	8 & 16
j.	Warranty and customer service requirements	5(N)	11
k.	Territorial development and sales quotas	2(A), (B); Schedule A	12
l.	Ongoing product/service purchases	5(A)-(F)	8 & 16
m.	Maintenance/appearance/remodeling requirements	5(A) and (B)	11
n.	Insurance	9(C)	6 & 8
o.	Advertising	7	11
p.	Indemnification	9(B)	6, 9, 13 & 14
q.	Owner's participation/management/ staffing	6	11 & 15
r.	Records and reports	8(H) and (I)	6
s.	Inspections and audits	5(H); 8(J)	6 & 11
t.	Transfer	10	17
u.	Renewal	4(B) and (C)	17
v.	Post-Termination obligations	5(R) and 13	17

	OBLIGATION	SECTION IN FRANCHISE AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
w.	Non-competition covenants	9(D); Schedule F	17
x.	Dispute resolution	11	17
y.	Other		
	Guarantee of Franchisee Obligations (Note 1)	14(F); Schedule C	14. 15

Notes:

1. If Franchisee is a corporation or other entity, all persons having a 5% or more ownership interest must personally guarantee the obligations to be performed by the Franchisee under the Franchise Agreement.

ITEM 10

FINANCING

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

We have no obligation to provide you any financing, but we may agree to finance a portion of the initial franchise fee for qualified prospective franchisees under specified terms and conditions. Our decision to finance the initial franchise fee will be based, in part, on your credit-worthiness, the collateral you have available to secure the financing and our then-current financing policies. We do not provide any financing in any transaction in which brokers are involved.

We limit the amount that we will finance -- currently to an amount less than 50% of the total equity, debt and other financial support of your Business (collectively, "obligations"). You must make a written representation to us, in a form we specify, confirming the dollar amount of your obligations. The representation must remain true through execution of your franchise agreement and we may elect not to approve a transfer, including a transfer to a corporation or other entity wholly owned by you, if you do not either maintain the same investment in your Business or pay any loans payable to us and our Affiliates in full. Subject to the obligation limit, our standard financing is up to 70% of your initial franchise fee, and we may agree, in our sole discretion, to finance up to 80% of your initial franchise fee if you meet certain requirements.

You must qualify to purchase a franchise, meet our credit standards and be otherwise eligible for financing to qualify for the following interest rates. We currently charge an interest rate based on your credit score as follows:

Credit Score	Annual Interest Rate
Under 600	12%
600 - 649	11%
650 - 699	10%

Credit Score	Annual Interest Rate
700 or more	9%

If we agree to finance a portion of the initial franchise fee, you must sign a promissory note when you sign the Franchise Agreement. An example of our promissory note is attached as Schedule G to the franchise agreement. You must pay us the down payment when you sign the franchise agreement and pay the balance in monthly installments.

You must make note payments to us by automatic bank draft. Some banks and other financial institutions may charge a fee for electronic transfers. Monthly payments will begin approximately 2 months after you complete Phase I Training. The length of the repayment term may be negotiable but will generally follow these guidelines:

Loan Amount	Length of Repayment Term
Less than $45,000	Up to 5 years
$45,001 - $75,000	6 years
$75,001 - $100,000	7 years
$100,001 - $150,000	8 years
Greater than $150,000	9 years

We require a security interest in the franchise. You must sign a security agreement, substantially in the form included in the promissory note attached as Schedule G to the franchise agreement, granting us a security interest in all your assets, including after-acquired property, and we will file a UCC financing statement with the appropriate governmental authority. We have the right to require additional forms of security.

You may prepay the note at any time without penalty. If you default, including if you default under the Franchise Agreement, we may declare the entire remaining amount due. If you do not pay us the entire balance and any accrued, unpaid interest, you may be responsible for the court costs and attorneys' fees we incur in collecting the debt from you. We may terminate your franchise agreement if you do not pay us.

You must waive your rights to certain notices of a collection action in our promissory note, security agreement and guaranty but there are no waivers of defense in our promissory note, security agreement or guaranty. If you are a legal entity, your shareholders, members, partners and/or owners must personally guarantee the debt and agree to pay the entire debt and all collection costs. We have the right to require a spouse's personal guaranty.

The financing described in this Item 10 is provided by us, JUNK KING SPV LLC.

We may sell, assign or discount any promissory note or other obligation arising out of the franchise agreement to a third party. If we sell or assign your promissory note, it will not affect our obligation to provide the services to you that are described in the franchise agreement but the third party may be immune under the law to any defenses to payment you may have against us.

We may periodically agree with third party lenders to make financing available to our qualified franchisees and we may, in our sole discretion, refer you to a third party lender for financing. We have no control over whether financing will be offered to you by any third-party lender. The lender is not obligated

to provide financing to you or to any other franchisee that the lender finds does not meet its credit requirements and loan criteria. If we refer you to a third-party lender for financing, we may agree to take a short-term promissory note (in a form we provide to you) until your financing is arranged. You must use the proceeds from the lender to pay any promissory note to us.

We do not currently derive income from referrals or placement of financing with any third-party lender. However, we may require payment from you or other persons for the placement of financing in the future. If we charge for placing financing in the future, we expect to use the payments to offset our expenses in doing so.

We do not guarantee your obligations to third parties.

We may, in limited circumstances, agree to finance a portion of any renewal fee for qualified franchisees at a 12% interest rate under specified terms and conditions. Our decision to finance a renewal fee will be based, in part, on your credit-worthiness, the collateral you have available to secure the financing and our then-current financing policies.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING,

COMPUTER SYSTEMS AND TRAINING

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

As noted in Item 1, we have entered into a management agreement with Manager for the provision of support and services to JUNK KING franchisees. However, we remain responsible for all of the support and services required under the Franchise Agreement.

Pre-Opening Assistance: Before you open your Business, we or our designee will:

1. Provide you with site selection guidelines and general specifications and standards, (Franchise Agreement, Section 5A).

2. Provide you with the list of approved supplies (which will include written specifications for certain items of equipment, signs, fixtures, opening inventory and supplies in some instances and approved suppliers in other instances). We do not deliver or install any items. (Franchise Agreement, Section 5D).

3. Provide you with either a written or an electronic copy of the Manuals (or electronic access to the Manuals) that detail the specifications and procedures incidental to the operation of the Business (Franchise Agreement, Section 5F).

4. Provide the training programs described below (Franchise Agreement, Sections 6B and C).

5. Provide you with opening support for your Business and any additional support we determine necessary (Franchise Agreement, Sections 6B and C).

Ongoing Assistance. During the operation of your Business, we or our designee will:

1. Maintain the Marketing, Advertising and Promotion Fund (the "MAP Fund") (Franchise Agreement, Section 7A).

2. Maintain the Customer Care Center (Franchise Agreement, Section 7E).

3. Provide updates to the lists of approved supplies and approved suppliers and continue to research and develop new products and services (Franchise Agreement, Section 5D).

4. Make periodic visits to your Business as we reasonably determine to be necessary to provide consultation and guidance (Franchise Agreement, Section 5I).

5. Provide refresher training courses, and regional meetings and conventions as we determine necessary and require you to attend. We may charge you a fee to attend (and for your employees to attend) regional meetings or conventions that we deem necessary. In this event, you must pay all expenses for you and your employees, including training materials, travel and living expenses (Franchise Agreement, Section 6C and E). For more information on the Reunion, see Item 6. As of the date of this Disclosure Document, we may conduct our training programs remotely/virtually. Therefore, you may not incur travel expenses if your training is done remotely/virtually.

6. Provide ongoing communication and support and updates to the Operations Manual (Franchise Agreement, Section 5G).

In addition, based on examples from JUNK KING businesses, we may, from time to time, make suggestions to you with regard to your pricing policies. In addition, we have the right to negotiate Key Account arrangements, including pricing, which will bind all JUNK KING businesses providing services to such Key Accounts. Although you generally have the right to establish prices for the products and services you sell, we reserve the right to establish and enforce prices, both minimum and maximum, to the extent permitted by applicable law. We may offer preferred customer plans that offer customers discount prices under certain terms and conditions. Provided that it is not prohibited by applicable law, you are required to offer these plans to customers, including the discount prices set by the plans, in accordance with the terms of the plan, as well as pursuant to our Unclosed Estimate Program. (Franchise Agreement, Sections 5M and 5N).

We are not required to provide any other service or assistance to you during your operations.

Marketing

MAP Fund and Local Advertising

We collect a MAP Fee from you for the MAP Fund equal to the greater of (a) 2% of Gross Sales or (b) a Minimum MAP Fee (currently $625/month for the first 18 months following the Effective Date of the Franchise Agreement (for all franchises other than a Standard franchise), then $845 per month thereafter), except that a lower percentage rate may apply for "roll-in" sales (i.e. 1% to 2% of Gross Sales). See also Item 6. (Franchise Agreement, Section 8.C)

We have established the MAP Fund and have designated the Manager (i.e., Neighborly Company) to administer the MAP Fund. The MAP Fund is not a trust or escrow account, and neither we nor the Manager have any fiduciary obligations with respect to the MAP Fund. If all of the MAP Fees are not spent

in the fiscal year in which they accrue, the remaining amounts are retained in the MAP Fund for use in the following years. The Manager may use the MAP Fund for various purposes related to the JUNK KING franchise system, including, but not limited to, (1) broadcast, print or digital advertising; (2) the creation, development and production of advertising and promotional materials (*i.e.*, print ads, digital radio, film and television commercials, video, digital ads, direct mail pieces, and other print advertising); (3) any marketing or related research and development; (4) advertising and marketing expenses, including product research and development, services provided by advertising agencies, public relations firms or other marketing, research or consulting firms or agencies; (5) the development, licensing and/or use of any tools and platforms in connection with marketing, advertising and promotional activities; and (6) expenses, administrative costs and overhead we or the Manager may incur in activities related to maintaining, administering, directing, and conducting the MAP Fund and its programs, including compensation to employees or any other individual or entity providing services to the MAP Fund.

The Manager determines the use of the monies in the MAP Fund. The Manager is not required to spend any particular amount on marketing, advertising or promotion in the area in which your Business is located. The Manager and the MAP Fund may collaborate with the advertising funds of certain franchise systems affiliated with us. There can be no assurance that the MAP Fund's participation in these collaborations and joint efforts will benefit the franchised businesses using the Marks proportionately or equivalently to the benefits received by the other franchised businesses or the other franchised systems affiliated with us that also participate. The Manager oversees the advertising programs and uses the MAP Fund to create marketing materials and conduct national, regional or local advertising. We will contribute to the MAP Fund amounts equal to your required percentage for each similarly situated company-owned and affiliate-owned JUNK KING businesses. From time to time we may contribute to the MAP Fund some amounts paid to us by outside suppliers. The Manager will prepare an annual unaudited accounting of the MAP Fund and will make it available for your review upon your written request. The Manager has its own in-house marketing and advertising production capabilities, but also may use an outside national, regional, or local agency. Neither we nor the Manager will use any of the advertising funds for the solicitation of franchise sales, but any marketing materials the Manager produces may designate "Franchises Available."

We reserve the right to cause the MAP Fund to be incorporated or operated through another entity separate from us or the Manager at such time as we may deem appropriate, and any such successor entity will have all our rights and duties with respect to the MAP Fund. We or the Manager may use collection agents and institute legal proceedings at the MAP Fund's expense to collect MAP Fund contributions. We may also forgive, waive, settle, and compromise all claims by or against the MAP Fund. If we terminate the MAP Fund, we will refund to you your pro-rata portion of any amounts remaining in the MAP Fund, based on your contributions to the MAP Fund. (Franchise Agreement, Section 7.A)

We and the Manager assumed operation of the MAP Fund from Predecessor on January 1, 2023. During the fiscal year 2025, the MAP Fund contributions were allocated by Predecessor primarily toward the following uses:

Type of Expense	Percent of Expense
Production	28.6%
Administrative Expenses	1.6%
Digital & Other Media Placement	59%
Public Relations	10.8%
Other	0%
Total	100%

We have a Franchise Advisory Council which collaborates with us on operational policies. The council currently consists of up to five franchisees, who are elected by the franchisee body at large, and up to three representatives of the franchisor appointed by our President. The council meets to discuss matters of common interest, including advertising or marketing strategies. The council is a best practices advisory group. Although the council may provide input on the MAP Fund activities, we will direct all activities that the MAP Fund finances, with sole control over the creative concepts, graphics, materials, communication media, and endorsements used and their geographic, market, and media placement and allocation. We will consider the council's recommendation, but we have the sole right to accept or reject its recommendations. We have the power to form, change, or dissolve the council.

In addition to your payments of the MAP Fee, we require you to spend the Minimum Local Marketing Spending ($40,000 for local marketing during the first 12 months of the operation of your Business and $50,000 for local marketing during months 13-24 of operation of your Business plus, starting in month 25, you must spend an amount each month on approved local marketing and advertising of your Business (the "Minimum Local Marketing Spending") equal to the greater of: (a) 10% of the average Gross Sales of the Franchised Business per month during the immediately preceding calendar quarter or (b) $4,000; see also Item 6). If you fail to make the required expenditures, we have the right to collect the deficiency and spend it as provided below in this paragraph. We reserve the right to require you to use one or more designated vendors in connection with your local marketing and promotional activities. In addition, we reserve the right to collect (on a monthly or quarterly basis, as we may from time to time designate) the Minimum Local Marketing Spending and in return provide to you local promotional, marketing and advertising materials and related services to promote the Business in the Territory. See Item 6 for more information. All of your local marketing and promotion (including through social media) must be in media that we approve, conducted in a dignified manner and conform to the standards and requirements that we specify, including compliance with all Mark usage and branding standards. Specifically, you must submit all advertising materials to us at least fourteen (14) days prior to use. If we do not respond within 14 days after you submit the proposed advertising materials to us, the advertising materials will be deemed to have been not approved. Should your franchise agreement terminate prior to our providing such local promotional, marketing and advertising materials and related services in the Territory, we reserve the right to contribute the Minimum Local Marketing Spending collected to the MAP Fund. (Franchise Agreement, Section 7.B)

We reserve the right to require advertising or marketing cooperatives and/or local marketing groups ("LMG") to be formed, changed, dissolved or merged, based on specific criteria determined by us for designated marketing areas. We typically determine the local marketing areas based on a combination of designated market area and core-based statistical area data. We have the right to establish how LMGs operate and to administer the LMGs. If an LMG is established in your market, you will be designated to be a member of the LMG. We will determine the amount of member contribution, which will be a percentage of Gross Sales and will not to exceed 3% of Gross Sales. Other franchisees that will be members of the same LMG will contribute on the same basis as you. We may require that some or all of your LMG contribution be paid to us or our affiliate, and we reserve the right to use your LMG contribution on any promotional, marketing and advertising initiatives, including digital and other marketing and brand awareness programs. As of the issuance date of this Franchise Disclosure Document, we may require that a portion of your LMG contribution be paid for use towards the Neighborly marketing and brand awareness initiatives, which may include service professional recruitment marketing. Your contribution to the LMG will count towards any required Minimum Local Marketing Spending but any required Minimum Local Marketing Spending will not represent a limit on your LMG contributions. Each company-owned or affiliate-owned Junk King® business located within the LMG's market will be a member and will contribute to the LMG on the same terms as franchisees. The LMG will not be required to operate from written governing documents although we may establish written operating guidelines and rules for the LMG. The LMG will not be required to prepare annual or periodic financial statements. All promotional

and advertising materials proposed to be used by the LMG must be approved by us prior to use. As of the date of this disclosure document, the LMGs we plan to establish will be local marketing groups rather than advertising cooperatives. (Franchise Agreement, Section 7.D)

If your territory is in a geographic area that is subject to an existing advertising cooperative, you must join and actively participate in the advertising cooperative and abide by the bylaws, rules, and regulations duly required by the advertising cooperative, which we have the right to mandate or approve. The advertising cooperative may determine your contribution rate to marketing programs conducted by the advertising cooperative, which may be in addition to your MAP Fee but will count towards the Minimum Local Marketing Spending. Currently, we have no advertising cooperatives, and if your territory is within an existing cooperative's area, you must pay $400 per month for participation in the advertising campaign operated through the cooperative. We will provide new franchisees with a six-month waiver beginning on the execution of the Franchise Agreement. Franchisor-owned outlets contribute to the advertising cooperatives on the same basis as franchisees. We are responsible for administering the cooperatives. The cooperatives operate from written governing documents (which are available to you for review upon request) but they do not prepare any financial statements. We reserve the right to designate any area for an advertising cooperative in the future.

Customer Care Center

You must participate in our Customer Care Center and pay us the Customer Care Center Fee equal to 5% of Gross Sales (current fee), as described in Item 6 and Item 8. Through the Customer Care Center, we provide to you call center and related customer care services for your Franchised Business. As part of the Unclosed Estimate Program, the Customer Care Center staff will make multiple outbound attempts to re-engage customers and convert the unclosed estimate to a job on your schedule in the point-of-sale system using phone calls, SMS (texting), and/or email as communication channels. Customers will be offered discounted rates by Customer Care Center staff in the follow-up communications, as provided in the Unclosed Estimate Program Agreement. Discounts of up to 30% off full price rates may be offered by the Customer Care Center staff. (Franchise Agreement, Section 5.S) We reserve the right to change these fees upon 30 days' notice but as of the date of this Disclosure Document we don't anticipate any increase to be more than by 30% annually, in addition to any direct price increases from third-party vendors or price increases due to an increased scope of the services.

Computer System

You must purchase a computer system that meets our standards and requirements (the "Computer System"). You must license the Software System from us and pay license and other fees for use of same, as discussed below and in Item 6. Additionally, you may be required to license additional software from us, an affiliate, or a third party and you also may be required to pay an additional software licensing or user fee in connection with your use of such software. You will be liable for all damages and problems caused by your use of any software or the Computer System. We will have full and complete access to the information and data entered and produced by the Computer System and can use them in any way we deem appropriate. You must maintain a dedicated email account for the Business, separate from any personal or other email account. You must purchase any upgrades, enhancements or replacements to the Computer System and/or hardware and software that we may from time to time require, and that may be referenced in the Operations Manual. Except as provided in Exhibit J (Software System User and Maintenance Agreement), we have no contractual obligation to maintain, repair, update, or upgrade the Computer System. You must make sure that you are in compliance with all laws that are applicable to the Computer System or other technology used in the operation of your Business, including all data protection or security laws as well as payment card industry compliance. (Franchise Agreement, Section 5.E)

At present, we require a laptop or desktop computer, e-mail and internet access, Microsoft Office, and QuickBooks. The cost of purchasing the computer equipment and software, if not already owned by you, is estimated to be approximately $1,000. The estimated annual cost for maintenance, updating, upgrading and support contracts related to the computer equipment is $250.

You must pay our affiliate ZorWare a technology fee equal to $303.49 per month for use of the Software System, which currently covers the cost of the following technology platforms: license fee for Junk King Junkware, enhanced security platforms for all areas of the Franchised Business, financial reporting platform (currently Qvinci), Customer Engagement Platform, Neighborly Franchise Portal, two Microsoft Office365 email accounts, and overall upgrades and maintenance of the servers, data warehouse platforms and the Junk King® proprietary software system. (This payment includes access for the first two Junk King® email accounts. If you need additional email accounts for your employees, each additional Office365 email account costs $5.50 - $30/month depending on type of account). Finally, additional access license to the data warehouse (Tableau) beyond the initial license may be granted for an additional $12/month or $144/year. These fees may increase in the future, but not more than by 30% annually, in addition to increases due to additional or different software being added to the Software System and direct price increases from third-party vendors.

In addition, we recommend that you obtain data organization and data storage software platforms. You will pay approximately $100 per month for Microsoft Office software, internet platforms and data organization/storage platforms.

You have the option to obtain QuickBooks Online directly from the third-party vendor (Intuit) or you can obtain it through our affiliate, Zorware, in which case your use of QuickBooks Online will also be subject to the terms of the Software System User and Maintenance Agreement and you will pay to ZorWare the fee for QuickBooks Online (which will be $30-$220 per month depending on the license tier that you select).

- We will provide you with secure passwords to JunkWare, our proprietary software, through the internet. We will train you how to use JunkWare. We will maintain it and provide updates as needed as provided in the Software System User and Maintenance Agreement.

- You must keep your computer hardware and software up to date based on our specifications. There are no limitations on the frequency and cost of computer hardware and software upgrades. You may not at any time substitute any other software for the software we require.

- We will have access to information you enter into JunkWare. JunkWare will collect sales data associated with the jobs you book and provide reports to the both of us. There are no contractual restrictions on our access to this data. We own all customer data.

- Compiled sales data regarding all franchised businesses in JunkWare will be made available to other franchisees to help manage numbers on a national, regional, and local level.

- You must participate in an electronic system of reporting Gross Sales from the operation of your franchise through JunkWare. You must report Gross Sale derived from the sale or resale of goods collected by or through the Franchised Business through all methods of distribution, including, without limitation, a separate store or online website, in the same manner as you report hauling services.

We may periodically develop other proprietary software and other systems, products and upgrades that we may require you to use. We may charge you a license fee for any new software.

Other than the Computer System requirements described above, you do not have to buy or use an electronic cash register.

We will make available to you an optional third-party web-based job applicant tracking system ("Paradox ATS"), which will allow you to create and manage local job postings online, track job applicants, and manage your recruiting efforts. Your use of the Paradox ATS will be subject to Paradox, Inc.'s terms of use. You will pay us or our affiliate an annual fee at the then-current rate ($703/year). We may increase the fee in the future but as of the date of this Disclosure Document we don't anticipate an increase of more than 30% annually in addition to any direct price increases from the vendor, Paradox, Inc. You may opt out of using Paradox at any time. Your access to this third-party applicant tracking system in no way shifts any employee or employment related responsibility from you to us. You are, and will remain, the sole employer of your employees at all times, and you are solely responsible for all employment decisions and actions related to your employees.

Internet Service Provider

You must have a primary and we recommend a secondary or "back-up" source of internet access. Your primary internet access must be high speed business class internet service with a minimum of 1 megabit per second (Mbps) of available band width per named Software System user. We may modify these requirements in the future. You may use any independent Internet service providers ("ISP") of your choice as long as each allows you to perform all necessary functions. (Franchise Agreement, Section 5.E)

System Website, Intranet and Electronic Communications and Data

We own the domain name www.junk-king.com and use it as our primary website for information about franchised businesses. You must provide information to us promoting your Business to post on the website. You may not separately register any domain name or any social media account containing any of the Marks or establish a website or social media account for the Business without our prior written consent. We reserve the right to pre-approve, establish rules, procedures, and policies relating to any website or social media account you create for the operation of your Business. Our system standards will apply to website advertising. At our option, we may, in the future, establish one or more additional websites to advertise, market, promote and operate JUNK KING businesses and the franchise opportunity, and provide you certain additional website-related services such as a listing for your location, or a web page, and we may charge you a fee for such services (see Item 6). (Franchise Agreement, Section 5.K).

We make no warranties and disclaim any express or implied warranty relating to any software, data, Intranet, website or other related items provided or recommended by us. If we provide you with any software or require the use of any software, Intranet, website or other related items we will not be liable for any costs or expenses, including any special, indirect, or other damages (including lost profits), even if we have been advised of the possibility of damages and even if the software did not function properly or had design problems that may have contributed to any loss.

You must comply with all policies and procedures as described in our Manuals, and execute any required agreements for use of our Intranet or any electronic communication, or data storage/retrieval system, website or software, as we periodically require, including policies that require you to identify yourself in all electronic communications as an independently owned business. We may periodically modify these rules and policies at our discretion. We are not obligated to provide you with an internet or intranet email account or system but we do currently use an on-line system for the communication of information and Internet/electronic mail access. We may discontinue the current system of communication and Internet/electronic mail at any time and you may be required to maintain an account we designate with a provider of our selection and pay the required fees. See Item 6. We are not obligated to monitor or

create/maintain any backup of email and information/data related to email. There are no contractual limitations on our right to access information and data on the electronic communication and Internet/electronic mail systems. You agree you have no right of privacy with respect to such communications and data and we may access these email communications and data. Any access to, monitoring or copies of, data related to electronic communications and emails will be solely for our benefit.

We may use all data provided by you to us for any and all purposes for which we may solely determine, including financial information and assessments or similar data, and may share and disclose the data to/with our affiliates, their franchisees and our franchisees, and all prospective franchisees, without restriction and without compensation, subject to compliance with applicable laws. We will disclose such financial information and data to any other third party only after your name has been omitted unless you consent or as required by judicial process or a governmental investigation, in each case subject to compliance with applicable laws. (Franchise Agreement, Section 5E).

Site Selection

You select the site for the Business with site selection guidelines we provide. You must verify to us that your site complies with our site selection guidelines. We do not select your site. We will approve your site so long as it meets our site selection guidelines. The factors we consider in approving your site are whether the site is located within your Territory and whether it meets zoning requirements. We will attempt to approve or disapprove your selected site within 10 business days after you submit the location (together with evidence of its compliance with our site selection guidelines) to us for approval. There are no consequences if you and we can't agree upon the location, except that the franchised business cannot be operational. We do not generally own the premises for a franchised business and lease them to a franchisee. You must begin operating your Business within 6 months from the date you sign a Franchise Agreement, although you may not commence operations of your Business until you successfully complete our training program and have otherwise complied with your pre-opening obligations. (Franchise Agreement, Section 5.A).

Manuals

We will provide you online access to our Manuals, which contain mandatory and suggested specifications, standards and procedures. You must adopt and use as your continuing operational routine the required standards, service style, procedures, techniques, and management systems described in our Manuals or other written materials relating to the Business. The Manuals will contain both mandatory standards and recommended standards. You must treat the Manuals, and other written materials created for or approved for use in the operation of the Business, and the information contained in them, as confidential. The Manuals will remain solely our property. We may, from time to time, revise the contents of the Manuals and you must comply with each new or changed standard. The Manuals have a combined total of 100 pages. (Franchise Agreement, Section 5.G)

The table of contents from our Manuals is as follows:

Subject	**Number of Pages**
Chapter 1: General Information	5
Chapter 2: The Brand	4
Chapter 3: Franchise Agreement Compliance Processes	15
Chapter 4: Onboarding	5
Chapter 5: Brand Operating Standards	19
Chapter 6: Staffing	13
Chapter 7: Operations Best Practices	20

Subject	Number of Pages
Chapter 8: Emergencies, Accidents & Security	12
Chapter 9: Administration	7
Total Number of Pages	**100**

Training

You, or if you are an entity, then your Principal Owner(s) (as defined in Item 15), must complete our initial training program to our satisfaction prior to the scheduled opening date of the Franchised Business. An outline of our initial training program is as follows (Franchise Agreement, Section 6A, B and C):

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The- Job Training	Location
Introductions & Your Why?	1	0	Irving, TX
Marketing & Networking	2	0	Irving, TX
Sales Training	5	0	Irving, TX
Operations (service delivery, standards, truck maintenance, logistics, dispatching, pay, time management)	8.25	0	Irving, TX
Leadership (Culture, Recruiting, Managing)	2.5	0	Irving, TX
Finance (accounting, finance, KPI's, goal setting, budget, business model)	2	0	Irving, TX
Field Visit with Certified Training Center	0	8	Irving, TX
			At a Certified Training Center of our choosing (TX, CO, CA, or MO)
Total	19.75	8	

The initial training session generally includes three days of classroom time and one day of field training. Training takes place at our offices in Irving, Texas for three days and then one day will be spent on site at a Certified Training Center of our choosing in California, Colorado, Missouri or Texas.

The training program is typically held 10 times per year or whenever minimum class sizes are achieved.

There is no charge for attendance at initial training for you (or, if you are not an individual, your Principal Owner(s)). However, if you are purchasing an existing JUNK KING business, you must pay us a non-refundable $3,000 training fee for which we will provide you our initial training program.

The courses are principally taught by Paul Tis, Amy Davis and Julian Torres. Paul Tis, our President, has 16 years of experience in operations and less than 1 year with us. Amy Davis, our VP of Operations, has over 11 years of experience in operations and over 11 years of experience with us and our affiliates. Julian Torres, our VP of Franchise Systems, has 17 years of operations experience with us and in the industry. Our President and these Vice Presidents have responsibility for our training staff, consisting

of assistants, sales and marketing staff, franchise service personnel and officers and personnel from our affiliate companies and certain designated suppliers or vendors that provide specialized training on e.g., software. These instructors' length of experience in the industry ranges from one year to 17 years; with one year to 17 years of that experience with us and Predecessor.

In addition, certain additional training programs are available to you through us. Upon your request and provided personnel are available, our staff members will provide on-the-job training at your Business. If you request training in addition to the initial training program, we may charge you a training fee (currently $500/day, plus our out-of-pocket costs).

For all training programs, including initial and refresher training programs, you must pay for all travel and living expenses for you and your attendees. We provide snacks, lunches, and one dinner on training days during the initial training program at the Irving, TX location.

You are required to attend both of our annual franchisees' meetings (the Summit Meeting and the Reunion (see Item 6)), and additional training events. You will be charged a fee of up to $2,000 if you do not attend the Reunion and/or the Summit Meeting (on a pro-rata basis based on number of days you miss at said convention or summit). You are responsible for the cost of travel, lodging, meals, etc. to attend the Summit Meeting and/or the Reunion and the applicable annual meeting fee (see Item 6). You may also be required to attend additional training courses that we designate as required. We may also require you to attend and complete a "refresher" training course or advanced training course if we determine that you are not current on all aspects of the System or are otherwise in need of training. You are responsible for the cost of travel, lodging, meals, etc. to attend any such additional training.

Any training provided by us or our affiliate to any of your workers will be limited to training or guidance regarding the delivery of approved services to clients in a manner that reflects the customer and client service standards of the System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your workers. You are solely responsible for ensuring that your workers receive adequate training.

Opening of Franchise

Our franchisees typically open for business within 30 days after completing training, which will generally take place 4 to 11 weeks after signing the Franchise Agreement. The Franchise Agreement requires you to open within 6 months after signing the Franchise Agreement. The factors that affect how quickly you can open your Business include the training schedule, your ability to obtain necessary financing, any local requirements for permits or licenses and your ability to complete our recommended pre-training agenda. (Franchise Agreement, Section 5.A)

ITEM 12

TERRITORY

You will receive the right to operate a JUNK KING business at a location within your territory that meets our site selection guidelines (the "Franchise Location"). Your Franchise Agreement will also specify a designated territory that will provide you limited territory protection (the "Territory"). The Franchise Agreement does not grant you any territorial rights beyond the Territory.

A typical Territory will have a population size of 500,000 to 700,000 people. A larger population may be allowed under certain circumstances (e.g., densely populated urban areas or a high percentage of

the prospective territory is impoverished). You will maintain rights to your Territory even if the population in your Territory increases.

If you wish to relocate from your Franchise Location to a new business site within your Territory, we will authorize you to do so; provided (1) you are not in default of the Franchise Agreement, any other agreements with us, or the lease for the former Franchise Location, (2) you are current on your financial obligations to us and our affiliates and all your third-party creditors, and (3) you open for business at the new location on the same day you close your former Franchise Location. You may not operate your business from your home.

In the limited instance that Google (or another designated vendor we use for search engine optimization purposes to drive online customer marketing) requires a secondary physical location in your Territory (in addition to your Franchise Location) in order to align with the marketing areas identified by Google/the vendor, we and you will agree on how you can establish and operate the secondary location in a manner that meets Google/the vendor's requirements as well as our applicable System standards for a secondary location; provided that this requirement will not apply during the first year of operation of your Business.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we, our affiliates or third parties control, operate or franchise. However, provided you are in full compliance with your Franchise Agreement, we will not operate or grant a franchise for the operation of another JUNK KING franchise with rights to market within your Territory during the term of your Franchise Agreement.

We and our affiliates reserve all other rights not specifically granted to you, including the right, while your Franchise Agreement is in effect, to sell or allow others to sell: any products or services anywhere using different trademarks; the same or similar products and services, competitive with those you will provide, anywhere using different channels of distribution; different products and services anywhere using the Marks; or the same products and services using the same trademarks anywhere outside your Territory. In addition, we may advertise, solicit and enter into Key Accounts, which are national, regional or other accounts we believe will benefit the system as further described in the Franchise Agreement, the Manuals and Item 8, and Key Accounts may involve marketing in your Territory. In addition to allowing others to offer products and services in your Territory generally, in the specific case when a Key Account is involved we may also designate or authorize a corporate employee, another franchisee or any other third party to perform or assist you in performing services within your Territory if you refuse or, in our judgment, are not qualified, interested, able or available to perform services for any customer in the Territory, including any Key Account customer; if you request assistance; or if a customer, orally or in writing, specifically requests services in the territory from a different franchisee or any other third party. If you agree to participate in or service Key Accounts, you must do so on the terms we or a Key Account specify, which terms may include, but may not be limited to, the provision of certain insurance, equipment, products and services, and the offer of services at prices not to exceed the maximum prices specified as well as payment by you of any applicable sales or broker commissions. If we allow others to provide services in your Territory, you will not be entitled to any compensation for the sales or services performed. Subject to the rights granted to you in your Franchise Agreement, we may provide in the Manuals for other programs in which we offer and sell, and/or authorize others to offer and sell, using the Marks or other marks, goods and services in your Territory that are identical or similar to and/or competitive with those provided at your Business. We may also acquire businesses or be acquired by a business offering similar products and services anywhere.

You cannot advertise for or attempt to solicit customers for any products or services, including using Internet, telemarketing or other direct marketing, outside your Territory. If we permit you to advertise,

solicit, service or sell in areas outside the Territory that are not serviced by another franchisee (each, a "Territory Available for Sale" or "TAFS"), you must comply with all of the conditions and other requirements that we may from time to time specify (in the Manuals or otherwise in writing) with respect to such activities. At any time upon our demand or upon your actual notice that a TAFS has been purchased by another franchisee, you agree to immediately cease all activities in such TAFS and to comply with our procedures for the transition of customer accounts for such TAFS.

You may only provide products/services to customers outside your Territory in accordance with our policies and procedures (including the Preferred Lead Program described below) and only with our prior written consent. We may identify in the Manuals or otherwise in writing the conditions under which we would grant our consent to your servicing or selling outside of your Territory and our consent may be conditioned upon whether you have obtained a required level or the highest level of quality or service as determined by a rating system we designate, which may change from time to time. Under our Preferred Lead Program, you may provide services within a specified area outside your Territory (such area, "designated area"), if such services are provided to your existing customer that has locations inside your Territory and within the designated area and the franchisee who owns the territory in which the designated area is located also participates in the Preferred Lead Program. Additional terms and conditions of the Preferred Lead Program are described in the Manuals. You must meet the qualifications described in the Manuals before you may participate in the Preferred Lead Program.

Our Manuals may also set specific rules for engaging in, and what may constitute, marketing within your Territory and other related matters, including what telephone area codes and exchanges may be used within the Territory (depending on the areas covered by those area codes/exchanges); which publications or media you may advertise in (depending on whether the circulation of the publication/media is wholly or mostly within your Territory); participation in promotional events, tradeshows, continuing education programs, chambers of commerce and industry association meetings; the post office box or mailing address that may be displayed on advertising; which phone numbers may be displayed on your vehicles; how, when and from which customers or accounts you may solicit work (depending on their location and the location and/or duration of the work); requirements for referral of work; enforcement, administration and interpretations of provisions of marketing/territory rules and procedures; and other matters; and we may update and change these rules from time to time.

We do not otherwise limit or restrict your solicitation of customers in your Territory.

Neither we nor any other party are required to pay you as a result of us exercising in your Territory any of our rights described in this Item.

Beginning with the second full calendar year of operations, your Business must achieve (a) in each calendar year, annual Gross Sales that are in the top 90% of the annual Gross Sales per franchised business for the JUNK KING franchise system for that calendar year (the "Gross Sales MPS") and (b) a Net Promoter Score (or another customer satisfaction survey score we designate) ("NPS") that is not more than 10 points below the average NPS for the JUNK KING franchise system for each applicable measurement period we set (the "Customer Satisfaction MPS" and collectively with the Gross Sales MPS, the "Minimum Performance Standards"). If you operate multiple JUNK KING businesses, the Minimum Performance Standards will apply separately to each franchised business. We can make changes to the Minimum Performance Standards upon 6 months' prior written notice in accordance with our reasonable business judgement and so long as such revised Minimum Performance Standards are applied to all similarly situated JUNK KING franchised businesses.

If you do not meet the Minimum Performance Standards for any applicable calendar year or measurement period, we will meet with you to identify the reasons for the substandard performance and

establish a performance improvement plan ("PIP") for the Business to take specific actions with the goal to improve the overall performance of the Business, including its annual Gross Sales and/or NPS. Your failure to implement or comply with the PIP over the three to six month period we designate will be a default under your Franchise Agreement, subject to a 30-day cure period. During the cure period, you will have the opportunity to advise us of your intent to sell your Business to a third party, in which case we will give you an additional 90 days (from the date of your notice of intent to sell) to transfer the Business in accordance with the transfer requirements of the Franchise Agreement. Failure to timely cure the default or transfer the Business will give us the right to either reduce the size of your Territory or terminate your Franchise Agreement.

Although you do not have a right to do so, we may permit you to establish another Junk King Business, if you meet our then-current Expansion Criteria. We have the absolute right to determine whether an existing franchisee meets our Expansion Criteria, which we may modify from time to time. As of the date of this Disclosure Document, the criteria we consider are, among other factors: a franchisee's compliance with the System, operational success (including your existing Franchised Business(es) meeting or exceeding certain performance thresholds), leadership ability and team development, financial stability and ability to expand and potential limits on the number of Businesses any franchisee owns.

We do not generally grant any right of first refusal to obtain additional territory.

If you do not qualify for renewal of your Franchise Agreement, we may, in some cases, but are not required to, offer to enter into a franchise agreement with you for a smaller territory and you would then have the option to accept that territory on the terms offered.

We do not operate or franchise, or currently plan to operate or franchise, any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell. However, certain of our affiliates described in Item 1, and other portfolio companies that currently are or in the future may be owned by private equity funds managed by our affiliates, may operate and/or franchise businesses that sell similar goods or services to those that our franchisees sell. Item 1 describes our current affiliated franchise programs that offer franchises, their principal business addresses, the goods and services they sell, whether their businesses are franchised and/or company-owned, and their trademarks. As noted in Item 1, all of these affiliated franchise brands (with the exception of MoJo, PDS, and any KKR portfolio companies) have the same principal business address as us and they generally do not maintain physically separate offices and training facilities from our offices and training facilities (except for Rainbow International, which maintains some separate training space) although each affiliated brand has its own separate meeting space. None of the affiliated franchisors and the affiliated franchise brands are direct competitors of our franchise network given the products or services they sell, although Mr. Handyman franchisees may provide debris removal as described in Item 1. All of the businesses that our affiliates and their franchisees operate may solicit and accept orders from customers in your territory. Because they are separate companies, we do not expect any conflicts between our franchisees and our affiliates' franchisees regarding territory, customers and support, and we have no obligation to resolve any perceived conflicts that might arise.

ITEM 13

TRADEMARKS

We grant you the right to operate a franchise under the name JUNK KING®. You may use our other current or future trade names, trademarks, service marks, symbols, emblems, logos and indicia of origin designated by us ("Marks") to identify your franchise.

We own the following Marks that are registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Description of Mark	Registration Number	Registration Date
Junk King	3,515,304	October 14, 2008
	5,496,927	June 19, 2018
JUNKWARE	7,229,983	November 28, 2023
HAULIDAYS	7,370,269	April 30, 2024

Our Parent, Neighborly Assetco LLC, owns the following Marks, which are registered on the Principal Register of the USPTO, and we license from Parent the right to use and to allow our franchisees to use these Marks under a Trademark License Agreement (the "License Agreement"). The License Agreement grants us a worldwide, non-exclusive, nontransferable license to use and to license others to use the Marks. Parent may terminate the License Agreement due to our material breach, ownership change or for any reason upon 90 days' notice. Upon any termination of the License Agreement, we will be required to cease all use of these Marks and we will require you to do the same.

Description	Registration Number	Registration Date
NEIGHBORLY	5,365,894	December 26, 2017
NEIGHBORLY (Stylized)	5,365,895	December 26, 2017
(HOUSE LOGO)	5,347,941	November 28, 2017
YOUR HUB FOR HOME SERVICES	7,281,370	January 16, 2024

Required affidavits and renewals for the registrations for our principal trademarks have been filed when due.

In addition to the Federal rights that apply to use of the registered Marks above, we claim common law rights, based on our use of the Marks, to all of our Marks. There may be areas, however, in which a third party has prior common law rights to the use of one of our Marks. If you propose to operate a franchise in one of those areas, we may attempt to obtain exclusive use of that Mark, or, in the alternative, we may designate and grant you permission to utilize a different proprietary mark. There may be other instances in which we may elect to use, or require you to use, a different proprietary mark in a market, region or systemwide. In any instance in which we require you to use a different proprietary mark, you must, at your

expense, comply with our designation and use, or change your use to the designated mark. You must modify or discontinue the use of a Mark, at your expense, if we direct. If we direct, you must adopt or use one or more additional or substituted Marks.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending infringement, opposition or cancellation proceedings and no pending litigation involving any of the Marks that may significantly affect the ownership or use of any Mark listed above.

Except for the License Agreement and the Service Mark Co-Existence Agreement noted above, no agreements limit our right to use or license the use of our Marks.

We do not have actual knowledge of any infringing uses that could materially affect your use of our Marks. You must notify us immediately when you learn about an infringement of or challenge to your use of our Marks. We will take the action we think appropriate but are not obligated to protect your rights to use the Marks. We have the right to control the defense of any claim using attorneys we choose and you must cooperate in that defense. You may participate in the defense and settlement at your own expense but our decisions will be final and binding. We will indemnify you or reimburse you for your liability and reasonable costs if there is a challenge to your authorized use of our Marks provided you have notified us immediately after you learned of the challenge and cooperate with us in defending the challenge as required.

You must follow our rules when you use the Marks and you may only use the Marks for the operation of your Business in your Territory. You must execute any documents we require to protect the Marks or to maintain their continued validity and enforceability. You may not directly or indirectly contest the validity of our Marks, our (or Parent's, as applicable) ownership of the Marks or our right to use or license our Marks, trade secrets, confidential information or business techniques that are part of our business. You cannot use the Marks as part of a corporate or other legal name and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations.

You must modify or discontinue the use of a Mark, at your expense, if we direct. If we direct, you must adopt or use one or more additional or substituted Marks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent but you can use the proprietary information in our Manuals and software which are described in Item 11. We have not filed an application for a copyright registration in these items, but we claim a common-law copyright in our Manuals and software and we treat the information in these items as confidential and proprietary. Item 11 describes limitations on the use of the Manuals and software by you and your employees. You must treat these items and the information as confidential. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action to protect or defend use of proprietary information but will respond as we think appropriate and will control any action we decide to bring or defend. We are not required to participate in your defense or indemnify you for use of copyrighted material or patents. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state and there are no agreements that limit our rights to use our copyrights or to allow others to use them.

Confidential information includes all information, data, knowledge, materials, techniques and know-how designated or treated by us as confidential and includes any and all Manuals, computer software or programs, training materials, operational videos, marketing programs, franchise rosters, franchisee lists, customer and prospective customer lists and data, and any other materials designated or treated by us as confidential. You may not, at any time during or after the term of the Franchise Agreement, disclose, copy or use any confidential information except as we specifically authorize.

If we ask, you must have your personnel who receive or will have access to confidential information sign covenants not to divulge the confidential information or use it for their own benefit. If you are a corporation or other business entity, your shareholders, members and/or owners must also abide by these covenants and sign a Guaranty (attached to the Franchise Agreement as Schedule C). If you are an individual, we may require your spouse to sign and abide by a confidentiality agreement. If we ask, your employees with access to your password and log-in name for our Intranet must sign a confidentiality agreement agreeing to not disclose this information.

If you develop any new product, service offering, concept, invention, business venture, technique, process or improvement in the operation or promotion of your Business, you must promptly notify us and provide us with all necessary information free of charge. You acknowledge that we own any such information and you agree to assign ownership of same to us, and you acknowledge that we may provide the information to other franchisees for use in their franchises.

There currently are no effective adverse determinations of the USPTO, United States Copyright Office or any court, nor are there any pending infringements, opposition or cancellation proceedings or material litigation, involving the copyright materials that are relevant to their use by our franchisees.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL

OPERATION OF THE FRANCHISE BUSINESS

If you are an individual, you must directly perform or supervise the operation of the Business unless we consent otherwise. You must obtain and maintain an immigration status that will allow you to live, work, own and operate a business in the United States for the initial term of the Franchise Agreement and for the length of any renewal term of the Franchise Agreement. If you do not have or maintain the required status, the Franchise Agreement will immediately expire by its terms with no further notice or opportunity to cure and we will have no liability to you, and no refund of any fees will be made. However, you will remain bound by all post-termination obligations in the Franchise Agreement, including all obligations regarding non-compete, de-identification, confidentiality, and indemnity.

If we agree that you need not personally perform or supervise operation of the Business, an individual who has successfully completed our training program ("manager") must directly supervise the Business, and that individual must be a bona fide manager, as determined by us. If we ask, the manager must sign a written agreement to maintain confidentiality of the trade secrets described in Item 14.

If you are a corporation or other legal entity, direct, on-site supervision must be done by a designated owner who has successfully completed our training program unless we consent otherwise ("principal owner"). If we ask, the principal owner must sign a written statement to maintain confidentiality of the trade secrets described in Item 14 and to conform to the covenants not to compete described in Item 17. If we agree that a principal owner need not personally perform or supervise the operation of the Business, a manager must directly supervise the Business. The manager need not have an ownership interest

in the Business. If you are a corporation or other legal entity, your principal shareholders, members and/or owners must sign a Guaranty agreeing to pay and perform all obligations under the Franchise Agreement (attached to the Franchise Agreement as Schedule C). If you obtain financing from us as provided in Item 10, we have the right to require a spouse's personal guaranty.

While you own the Business, you cannot have an interest or relationship with any competitors. If you own an existing business when you sign the Franchise Agreement, we may (in our sole discretion) allow you to exclude such business from the Business by executing the Excluded Services Addendum (attached as Schedule I to the Franchise Agreement). If such existing business is rolled into the Business, you will execute and become bound by the Roll-In Addendum (attached as Schedule H to the Franchise Agreement).

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only the goods and services that conform to our standards and specifications. You must offer the goods and/or services that we designate as required for all franchisees and you may elect to offer other products and/or services only if we approve them in advance. You must perform junk removal, dumpster services (subject to the requirements noted below in this Item 16), resale services and recycling services and offer other related services and products we approve pursuant to certain standards and specifications. We may change the authorized services and/or products that we require you and all franchisees to offer by adding additional services and/or products or deleting products and/or services, or both and there are no limits on our right to make changes. If we make any changes, we will notify you. We have no plans to make significant changes in the future.

You must offer the Dumpster Services upon the earlier of (a) the 36 months' anniversary of the effective date of your Franchise Agreement or (b) the date on which the Business achieves $600,000 in cumulative Gross Sales. In order to offer the Dumpster Services, you must purchase and maintain at least seven dumpsters and a second vehicle capable of hauling a dumpster and comply with other specifications and standards we may specify.

You must honor our warranty policies as described in the Manuals. This policy states that we handle warranty claims on a case-by case basis with some basic guidelines and, as a result, you will be obligated to perform warranty work, at no charge, on certain services, including services that another franchisee originally performed.

You must comply with all applicable laws and regulations and obtain all appropriate governmental approvals for the Business including obtaining a license if required by your locality. To ensure that the highest degree of quality and service is maintained, you must operate in conformity with the methods, standards and specifications in the Manuals and as we may otherwise require in writing periodically. You must not deviate from our standards and specifications without our prior written consent.

We do not limit or restrict your solicitation of customers in your Territory, although we own all customer information and may use the customer information as we deem appropriate (subject to applicable law), including, without limitation, sharing it with our affiliates for cross-marketing, customer loyalty programs or other purposes.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement (unless otherwise specified)	Summary
a. Length of the franchise term	4(A)	Initial term is 10 years.
b. Renewal or extension of the term	4(B), (C)	Your Franchise Agreement can be renewed for one additional 10-year term by executing the then-current form of franchise agreement and meeting the other requirements for renewal; if you continue to operate after expiration of the initial or a renewal term, we may, at our sole election, treat the Franchise Agreement as expired or as continued on a month-to month basis until both parties agree to enter into our then-current form of franchise agreement for a renewal term or until one party provides the other with written notice of termination, in which case the interim period will terminate 30 days after receipt of the notice of termination. In the latter case, all of your obligations shall remain in full force and effect during the interim period as if the Franchise Agreement had not expired, except that the License Fee during the interim period will be increased to 10% of Gross Sales for all types of products/services and without any reductions. Once you have renewed your Franchise Agreement, you have no automatic further right of renewal and the provisions about renewal described in this section do not apply. At that point you may enter into a new franchise agreement on the then-current terms if you and we agree to a new agreement.
c. Requirements to renew or extend	4(B), (C)	Requirements for renewal are as follows: you cannot be in default of current Franchise Agreement or any related agreement, have satisfied all monetary and other material

Provision	Section in Franchise Agreement (unless otherwise specified)	Summary
		obligations on a timely basis during the term, are in good standing and have received no more than 2 written notices of default during the term of the Franchise Agreement; you have not failed to meet the Minimum Performance Standards for any 2 calendar years (or 2 measurement periods, as applicable) during the term of the Franchise Agreement; you must give us written notice at least 180 days (but not more than 240 days) before the end of the expiring term; you and your guarantors must sign a general release; you must pay us a renewal fee of $5,000; you must complete our then-current training requirements, and you must sign the then-current version of our franchise agreement, which may have terms, conditions and fees that could be materially different as compared with your original franchise agreement.
d. Termination by you	12(C)	You may terminate the Franchise Agreement as a result of our breach of a material provision of the Franchise Agreement, provided that you give us written notice of the breach and we fail to cure the breach within 30 days after our receipt of your written notice. If we fail to cure the breach, the termination will become effective 60 days after our receipt of your written notice of breach. You may also terminate for any reasons allowed under the law.
e. Termination by us without Cause	None	We cannot terminate your Franchise Agreement without cause.
f. Termination by us with Cause	12(B)	We can terminate your Franchise Agreement only if you default.
g. "Cause" defined – curable defaults	12(B)(1)	You have 10 days (subject to local state law) to cure if you fail to pay amounts due or fail to submit required reports. You have 30 days to cure all other defaults of the Franchise Agreement except for the non-curable defaults described below.

Provision	Section in Franchise Agreement (unless otherwise specified)	Summary
h. "Cause" defined – non-curable defaults	12(B)(2)	You made material misrepresentations to us in the application for the franchise or other reports or information provided to us; you voluntarily abandon performance of the Franchise Agreement (including by failing to operate the Business for seven or more consecutive days); state or local authority close the Business for safety reasons; you register any domain name containing our Marks or use Confidential Information in unauthorized manner; you or your guarantor become insolvent or make an assignment for the benefit of creditors or other similar arrangements; you or your guarantor are convicted of (or plead no contest to) any misdemeanor bringing the Marks into disrepute or impairing your reputation or goodwill of the Marks or of the Business; you or your guarantor are convicted of (or plead no contest to) any felony; you intentionally understate or underreport Gross Sales, License Fees, or MAP Fees; any understatement or 2% variance on a subsequent audit within a 2-year period; any transfer or assignment without our consent as provided in the Franchise Agreement; or any default by you that is the second default of any type within any 12-month consecutive period even if the default(s) were cured. We can terminate your right to provide Dumpster Services if you provide notice to us that you no longer wish to offer Dumpster Services. Your breach of the Dumpster Program Amendment or any related agreement is a breach of the Franchise Agreement and vice versa.
i. Your obligations on termination/non-renewal	13	Your obligations include complete de-identification of the Business (including all vehicles) and immediate discontinuation of advertising or any other use of the Marks or any other promotional materials furnished by us; return to us all copies of the Manuals,

Provision	Section in Franchise Agreement (unless otherwise specified)	Summary
		software, customer lists and ongoing customer contracts; assignment to us of all right in the telephone numbers, websites, social media accounts and domain names for the Business and cancelation or assignment, at our option, of any assumed name rights or equivalent registrations; assignment to us, upon our demand, of your remaining interest in any lease for the Business; and payment of any amounts due to us or to third parties for amounts guaranteed by us; compliance with non-competition covenants (see r., below).
j. Assignment of contract by us	10(G)	We may assign your Franchise Agreement to any 3rd party without prior notice to you and without your consent.
k. "Transfer" by you – defined	10(A)	Includes any sale, lease, pledge, management agreement, contract for deed, option agreement, bequest, gift, any arrangement in which you turn over all or part of the operation of the Business to someone who shares in the losses or profits of the Business other than an employee; any 20% or more change in the direct or indirect ownership of the franchisee entity; or any change in the general partner of a franchisee that is a partnership entity.
l. Franchisor approval of transfer by Franchisee	10(B)	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for Franchisor approval of transfer	10(B) – (D)	You are not in default; you have paid in full all amounts owed to us, our affiliates, or your suppliers, or upon which we have contingent liability; you have provided all required reports; the new franchisee qualifies; training for new franchisee is arranged; you, owners and guarantors sign release; transfer fee paid; current Franchise Agreement signed by new franchisee (which will provide for a reduced initial franchise fee of $5,000); new franchisee agrees to be bound by all customer obligations of Franchisee, including all warranty work and service plans obligations (also see r, below).

Provision	Section in Franchise Agreement (unless otherwise specified)	Summary
n. Franchisor's right of first refusal to acquire the Business	10(F)	We may buy your franchise at the same price and on the same terms as those of a third-party offer.
o. Franchisor's option to purchase the Business	None	N/A
p. Death or disability of Franchisee	10(E)	Your personal representative must, within 120 days, tender the right of first refusal, apply for our consent to the transfer, pay the transfer fee and satisfy the transfer conditions (provided that no right of first refusal or transfer fee is applicable if the transferee is your spouse or child).
q. Non-competition covenants during the term of the Franchise Agreement	9(D)	You (including your guarantors and owners, if you are an entity, or your spouse, children, parents, or siblings if you are an individual) cannot be involved in a Competitive Business. A "Competitive Business" is any business that offers or sells any product or service or component thereof that (i) composes a part of our System, (ii) is the same as or similar to any product or service then-offered by our franchisees or (iii) otherwise competes directly or indirectly with our System.
r. Non-competition covenants after the Franchise Agreement is terminated or expires	9(D)	For 2 years, no Competitive Business in your Territory, within a 25-mile radius of the outer boundary of your Territory, or inside the territory of another JUNK KING business.
s. Modification of the Franchise Agreement	14(B)	No modification of the Franchise Agreement except by written agreement of both parties.
t. Integration/merger clause	14(B)	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	11	Most disputes must be initially mediated. If a dispute is not resolved through the mediation process described in the Franchise Agreement, most disputes must be settled by litigation,

Provision	Section in Franchise Agreement (unless otherwise specified)	Summary
		subject to state law. Only if a court invalidates a jury waiver or a class action waiver will the dispute be resolved through arbitration, subject to state law.
v. Choice of venue	14(H)	Unless state law supersedes this provision, venue for mediation, arbitration, and litigation is in McLennan County, Texas.
w. Choice of law	14(G)(1)	Texas law applies unless state law supersedes this provision.

SEE THE ATTACHED STATE ADDENDA (Exhibit L) FOR ADDITIONAL DISCLOSURES.

ITEM 18

PUBLIC FIGURES

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

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.

The financial performance representations included in this Item 19 present data for the 52-week period beginning on January 1, 2025 and ending on December 31, 2025 (the "Reporting Period") for Franchised Businesses that had been open and continuously operated during the entire 12-month period ended on December 31, 2025 (the "Continually Operated Businesses"). Franchised Businesses that were in operation for less than 12 full months during the Reporting Period (the "Excluded Businesses") are not included in this Item 19.

As of December 31, 2025, there were 171 Franchised Businesses in operation in the U.S., and 160 of them fit the criteria to be Continually Operated Businesses. 11 Franchised Businesses are Excluded Businesses that have not been included in this Item 19 because they opened during the year 2024 and did not operate for the full 12 months of the Reporting Period. Tables 1-A, 1-B, and 2 include data for all 160 Continually Operated Businesses. Of the 160 Continually Operated Businesses, 80 businesses offered

Dumpster Services during the entire Reporting Period. Table 1-C includes data for the Reporting Period for the 80 Continually Operated Businesses that offered Dumpster Services during the Reporting Period.

13 franchised businesses closed during the Reporting Period and are therefore excluded from this Item 19 because they did not report data for all 12 months of the Reporting Period. No business closed after being open for less than 12 months.

Table 1-A describes Gross Sales data for the Continually Operated Businesses for the Reporting Period, as reported by the Continually Operated Businesses to us. In this Item 19, "Gross Sales" means the total revenues and receipts from whatever source (whether in the form of cash, credit, agreement to pay, barter, trade or other consideration) that arise, directly or indirectly, from the operation of — or in connection with — a Junk King business whether under any of the Marks or otherwise. Gross Sales exclude sales taxes collected from customers and paid to the appropriate taxing authority and any other bona fide refunds, rebates or discounts that we authorize in writing. Table 1-B describes Gross Hauling Revenues for the Continually Operated Businesses for the Reporting Period, as reported by the Continually Operated Businesses to us. In this Item 19, "Gross Hauling Revenues" mean Gross Sales generated from hauling sales only. Table 1-C describes Gross Dumpster Revenues for the Continually Operated Businesses that offered Dumpster Services during the Reporting Period, as reported by the Continually Operated Businesses to us. "Gross Dumpster Revenues" means Gross Sales generated from dumpster sales only. Franchisees are permitted to offer Dumpster Services. "Gross Sales" equals the sum of Gross Hauling Revenues and Gross Dumpster Revenues. Gross Hauling Revenues and Gross Dumpster Revenues are not adjusted for cost of goods sold, operating expenses, royalties, or other costs or expenses that must be deducted from the gross sales to obtain net income or profit. Neither Gross Hauling Revenues nor Gross Dumpster Revenues are the same as Gross Sales, which includes all products and services sold by a franchisee. The data in Tables 1-A, 1-B and 1-C is divided into quartiles based on the level of Gross Sales, Gross Hauling Revenues and/or Gross Dumpster Revenues achieved, as applicable.

Table 1-A: Gross Sales in Calendar Year 2025 for Continually Operated Businesses

Franchised Businesses Quartiles	Number of Franchised Businesses in Subset	Average Gross Sales	Number and Percentage of Outlets Attaining or Exceeding Average Gross Sales	Median Gross Sales	Lowest Gross Sales	Highest Gross Sales
Top Quartile	44	$1,070,285	16/36%	$885,220	$675,038	$2,939,477
2nd Quartile	43	$518,635	24/55%	$524,255	$440,088	$657,428
3rd Quartile	41	$330,273	20/48%	$327,822	$250,397	$439,560
Bottom Quartile	32	$166,455	18/56%	$179,650	$26,580	$244,310
All Franchised Businesses	160	$551,635	78/37%	$449,606	$26,580	$2,939,477

Table 1-B: Gross Hauling Revenues in Calendar Year 2025 for Continually Operated Business

Franchised Businesses Quartiles	Number of Franchised Businesses in Subset	Average Gross Hauling Revenue	Number/Percentage of Outlets Attaining /Exceeding Avg Gross Hauling Revenue	Median Gross Hauling Revenue	Lowest Gross Hauling Revenue	Highest Gross Hauling Revenue
Top Quartile	44	$1,003,390	15/34%	$815,548	$599,342	$2,884,281
2nd Quartile	43	$490,267	20/46%	$477,968	$399,869	$595.187
3rd Quartile	43	$308,902	18/41%	$299.014	$228.991	$398.430
Bottom Quartile	30	$152,097	16/53%	$157.466	$26.580	$225.148
All Franchised Businesses	160	$519,227	69/43%	$422,758	$26,580	$2,884,281

Table 1-C: Gross Dumpster Revenues in Calendar Year 2025 for Continually Operated Businesses

Franchised Businesses Quartiles	Number of Franchised Businesses in Subset	Average Dumpster Revenue	Number and Percentage of Outlets Attaining or Exceeding Average Dumpster Revenue	Median Dumpster Revenue	Lowest Dumpster Revenue	Highest Dumpster Revenue
Top Quartile	22	$139,827	6/27%	$114,104	$86,805	$327,491
2nd Quartile	21	$60,655	8/38%	$56,660	$44,573	$85,290
3rd Quartile	18	$35,136	9/50%	$35,033	$24,539	$44,082
Bottom Quartile	19	$10,673	10/52%	$11,020	$378	$21,579
All Franchised Businesses	80	$64,815	33/41%	$51,589	$378	$327,491

Table 2 – Average and Median Gross Sales per Job in Calendar Year 2025 for Continually Operated Businesses

The below table shows the average and median Gross Sales per Job data for the Continually Operated Businesses during the Reporting Period.

	Number of Reporting Businesses	Average[1]	High[2]	Low[2]	Median[1]	Number/Percent At or Above Average[3]
	160	$397	$770	$201	$385	71/44%

[1] We calculated the average and median Gross Sales per Job as follows: (i) first, we calculated the average Gross Sales Per Job during the Reporting Period for each Continually Operated Business, based on information provided by the Continually Operated Businesses to us through our Software System (the "Individual Business Average Gross Sales Per Job") and (ii) then we calculated the average and median of all Continually Operated Businesses' Individual Business Average Gross Sales Per Job (as determined in clause (i)) during the Reporting Period.

[2] This is the range between the Continually Operated Businesses' lowest Individual Business Average Gross Sales Per Job and the highest Individual Business Average Gross Sales per Job during the Reporting Period, based on information provided by the Continually Operated Businesses to us.

[3] This is the number and percentage of Continually Operated Businesses that achieved or exceeded the Average Gross Sales per Job.

Notes to Item 19:

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

2. Written substantiation of the data used in preparing these financial performance representations will be made available to you upon reasonable request.

3. The data is based on the historical results from existing Franchised Businesses as reported to us by our franchisees.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing 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 Paul Tis, 1010 North University Parks Drive, Waco, TX 76707, (888) 888-5865, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

As noted in Item 1, Predecessor was the franchisor of Junk King businesses prior to the closing of the Securitization Transaction. The "Franchised" outlets referenced in the tables below are

Predecessor-franchised outlets as of December 31 of each year, and references to "Franchisor" mean Predecessor. We do not operate any outlets that are substantially similar to the Franchised Businesses. In this Item 20, the "**Affiliate-Owned Outlets"** were operated by two of our then-affiliates, JKBA and JKE.

Table No. 1

Systemwide Outlet[1] Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	158	169	+11
	2024	169	172	+3
	2025	172	171	-1
Affiliate-Owned	2023	5	3	-2
	2024	3	0	-3
	2025	0	0	0
Total Outlets	2023	163	172	+9
	2024	172	172	0
	2025	172	171	-1

[1] Included in "outlets" are all Businesses that have opened an operating location. Neither sale of a new territory to an existing franchisee where a separate operating location will not be opened nor execution of a franchise agreement for a new location where the location is not yet open are included.

Table No. 2

Transfers[2] of Outlets from Franchisees to New Owners
(other than the Franchisor) for Years 2023 to 2025

State	Year	Number of Transfers
Arizona	2023	0
	2024	0
	2025	4
California	2023	2
	2024	3
	2025	1
Connecticut	2023	0
	2024	1
	2025	0
Florida	2023	2
	2024	1
	2025	3
Georgia	2023	0
	2024	1
	2025	0

State	Year	Number of Transfers
Illinois	2023	1
	2024	1
	2025	7
Indiana	2023	0
	2024	0
	2025	1
Iowa	2023	0
	2024	1
	2025	0
Kansas	2023	1
	2024	2
	2025	0
Kentucky	2023	0
	2024	1
	2025	0
Louisiana	2023	0
	2024	0
	2025	4
Maryland	2023	3
	2024	0
	2025	0
Massachusetts	2023	0
	2024	0
	2025	1
Michigan	2023	0
	2024	1
	2025	0
Missouri	2023	2
	2024	3
	2025	0
Nevada	2023	0
	2024	0
	2025	1
New York	2023	2
	2024	0
	2025	1
North Carolina	2023	0
	2024	4
	2025	1
Oklahoma	2023	0
	2024	2
	2025	0
Oregon	2023	0
	2024	0
	2025	2
Pennsylvania	2023	0
	2024	3
	2025	0

State	Year	Number of Transfers
South Carolina	2023	0
	2024	1
	2025	1
Texas	2023	0
	2024	4
	2025	0
Virginia	2023	0
	2024	2
	2025	0
Washington	2023	0
	2024	0
	2025	2
Total	**2023**	**13**
	2024	**31**
	2025	**29**

[2] Transfer" means the acquisition of a controlling interest in a franchised outlet, during its term, by a person other than the franchisor or an affiliate. Sale of territory only, not including a franchised outlet, from one franchisee to another franchisee is not included in transfers.

Table No. 3

Status of Franchised Outlets For Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened[3]	Termina-Tions[4]	Non-Renewals	Reacquired by Franchisor[5]	Ceased operations - Other Reasons[6]	Outlets at End of the Year
AL	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
AZ	2023	5	0	0	0	0	0	5
	2024	5	1	0	0	0	0	6
	2025	6	1	0	0	0	0	7
AR	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
CA	2023	25	2	0	0	0	0	27
	2024	27	0	0	0	0	0	27
	2025	27	0	0	0	0	7	20
CO	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
CT	2023	1	0	0	0	0	0	1
	2024	1	2[B]	0	0	0	0	3
	2025	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened[3]	Termina-Tions[4]	Non-Renewals	Reacquired by Franchisor[5]	Ceased operations - Other Reasons[6]	Outlets at End of the Year
DC	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
FL	2023	14	0	2	0	0	0	12
	2024	12	1	0	0	0	0	13
	2025	13	1	0	0	0	0	14
GA	2023	6	1	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	0	0	0	0	0	7
ID	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
IL	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	0	8
	2025	8	1	0	0	0	0	9
IN	2023	4	1	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
IA	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
KS	2023	1	0	0	0	0	0	1
	2024	1	1[A]	0	0	0	0	2
	2025	2	1	0	0	0	0	3
KY	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
LA	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
MD	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
MA	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
MI	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	1	1
	2025	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened[3]	Termina-Tions[4]	Non-Renewals	Reacquired by Franchisor[5]	Ceased operations - Other Reasons[6]	Outlets at End of the Year
MN	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
MO	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	1[A]	3
	2025	3	0	0	0	0	0	3
NE	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
NV	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NM	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NY	2023	6	1	0	0	0	0	7
	2024	7	0	0	0	0	1[B]	6
	2025	6	0	0	0	0	2	4
NC	2023	5	0	0	0	0	0	5
	2024	5	1	0	0	0	0	6
	2025	6	0	0	0	0	0	6
OH	2023	6	1	0	0	0	0	7
	2024	7	0	1	0	0	0	6
	2025	6	0	0	0	0	0	6
OK	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
OR	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
PA	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	1	0	0	0	0	7
RI	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
SC	2023	4	1	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	1	0	0	0	0	6

State	Year	Outlets at Start of Year	Outlets Opened[3]	Termina-Tions[4]	Non-Renewals	Reacquired by Franchisor[5]	Ceased operations - Other Reasons[6]	Outlets at End of the Year
TN	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	1	1	0	0	0	3
TX	2023	13	0	0	0	0	0	13
	2024	13	1	2	0	0	0	12
	2025	12	2	0	0	0	0	14
UT	2023	4	1	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	2	3
VA	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
WA	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
WI	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Totals	**2023**	**158**	**13**	**2**	**0**	**0**	**0**	**169**
	2024	**169**	**9**	**3**	**0**	**0**	**3**	**172**
	2025	**172**	**11**	**1**	**0**	**0**	**11**	**171**

[A] Unit contains territory in both Kansas and Missouri and was relocated in the count to Kansas where the business address is located.

[B] Unit contains territory in both Connecticut and New York and was relocated in the count to Connecticut where the business address is located.

[3] "Outlets opened" does not include outlets for which a franchise agreement was signed but the outlet was not open as of the end of our last fiscal year. Included in "Outlets Opened" are outlets that were opened after a new franchisee purchased the franchised business from an existing owner and the previous owner's franchise agreement was terminated.

[4] "Termination" means the franchisor's termination of a franchise agreement prior to the end of its term and without paying any money or other compensation to the franchisee. Mutual terminations, where both the Franchisor and franchisee agree to end the franchise relationship are also included in terminations listed above.

[5] For purposes of these tables, a "reacquisition" means the Franchisor's acquisition of a franchised outlet during its term in exchange for a payment of money or other compensation. The franchisor's purchase of a territory or a portion of a territory not including an operating outlet is not included in the "reacquisitions" listed above.

[6] "Ceased operations – other reasons" includes abandonment of the franchise outlet after an existing outlet was opened. If no outlet was opened and there was no termination of the franchise agreement, the "abandonment" would not be included in the "ceased operations" column. Also included in this column are franchise outlets that have been sold and/or transferred to an existing franchisee or a franchisee in another state. Also included in Ceased operations – other reasons" are outlets where the franchise agreement was terminated and the territory was transferred to an existing franchisee.

Table No. 4

Status of Affiliate-Owned Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
CA	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
NC	2023	1	0	0	0	0	1
	2024	1	0	0	0	1	0
	2025	0	0	0	0	0	0
SC	2023	1	0	0	0	1	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
TN	2023	1	0	0	0	0	1
	2024	1	0	0	0	1	0
	2025	0	0	0	0	0	0
TX	2023	1	0	0	0	0	1
	2024	1	0	0	1	0	0
	2025	0	0	0	0	0	0
WI	2023	1	0	0	0	1	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Total	**2023**	**5**	**0**	**0**	**0**	**2**	**3**
	2024	**3**	**0**	**0**	**1**	**2**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**

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

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	2	3	0
Florida	1	1	0
Georgia	0	1	0
Illinois	1	0	0
Louisiana	1	0	0
Maryland	0	1	0
Massachusetts	3	0	0
New York	0	1	0
Pennsylvania	0	1	0
Tennessee	1	0	0
Texas	2	1	0
Washington	0	1	0
Total	**11**	**10**	**0**

Exhibit E contains a list of names of all franchisees and the addresses and telephone numbers of their outlets as of December 31, 2025.

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

During our last three fiscal years some current or former franchisees signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations associated with the franchise that have asked to be included in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Included as Exhibit C are the following audited combined financial statements of Neighborly Assetco LLC, our direct parent: (a) audited combined financial statements as of and for the year ended December 31, 2023, (b) audited combined financial statements as of and for the year ended December 31, 2024, and (c) audited combined financial statements as of and for the year ended December 31, 2025.

Neighborly Assetco LLC guarantees our performance under the Franchise Agreement. A copy of the Parent guaranty is included in Exhibit D.

As reflected in Item 1, Manager (i.e., Neighborly Company) will be providing required support and services to franchisees under a management agreement with us. Attached in Exhibit C are the audited consolidated financial statements of Manager (a) as of and for the year ended December 31, 2025, (b) as of and for the year ended December 31, 2024, and (c) as of and for the year ended December 31, 2023.These financial statements are being provided for disclosure purposes only. Manager is not a party to the Franchise Agreement we sign with franchisees nor does it guarantee our obligations under the Franchise Agreement we sign with franchisees.

ITEM 22

CONTRACTS

EXHIBIT A - Franchise Agreement and Schedules:

	Schedule A.	Data Sheet
	Schedule B.	ACH Form
	Schedule C.	Personal Guarantee
	Schedule D.	Acknowledgement Addendum
	Schedule E.	Telephone Number and Internet Agreement
	Schedule F.	Confidentiality Agreement
	Schedule G.	Promissory Note and Security Agreement
	Schedule H.	Roll-In Addendum
	Schedule I.	Excluded Services Addendum
	Schedule J.	State Addendum

EXHIBIT G	Renewal Addendum
EXHIBIT H	General Release [sample]
EXHIBIT I	ProTradeNet Agreement
EXHIBIT J	Software System User and Maintenance Agreement
EXHIBIT K	Assignment and Consent Agreement
EXHIBIT L	State Addenda and Riders to Franchise Agreement
EXHIBIT M	State Effective Dates

ITEM 23

RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are located at the last 2 pages of this disclosure document.

EXHIBIT A

JUNK KING SPV LLC

FRANCHISE AGREEMENT

RECEIPT FOR FRANCHISE AGREEMENT

The undersigned hereby acknowledges and agrees that on the date below, they received a FRANCHISE AGREEMENT for a JUNK KING® franchised business including all applicable exhibits with all information completed in a form ready to execute.

_____	_____
Date	Signature
_____	_____
Date	Signature

JUNK KING® FRANCHISE AGREEMENT

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JUNK KING® FRANCHISE AGREEMENT

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SCHEDULES

Schedule A	Data Sheet
Schedule B	ACH Form
Schedule C	Personal Guarantee
Schedule D	Acknowledgement Addendum
Schedule E	Telephone Number and Internet Agreement
Schedule F	Confidentiality Agreement
Schedule G	Promissory Note and Security Agreement
Schedule H	Roll-In Addendum
Schedule I	Excluded Services Addendum
Schedule J	State Addendum

FRANCHISE AGREEMENT

This Franchise Agreement (the "Agreement") is made as of the Effective Date by and between Junk King SPV LLC, a Delaware limited liability company with its principal business located at 1010 North University Parks Drive, Waco, TX 76707 ("we", "us" or "Franchisor"), and the person or entity (the "Franchisee" or "you") identified as Franchisee on the Data Sheet attached as Schedule A together with addenda attached thereto, the "Data Sheet"). If the Franchisee is a corporation, partnership, limited liability company or other legal entity, the provisions of this Agreement also apply to its owners.

RECITALS

A. We have developed a system for establishing and operating businesses identified by the Marks (as defined below) and engaged in junk removal, dumpster rental, clean-out services, resale services and recycling and other related services and products pursuant to certain standards and specifications (each, a "JUNK KING Business").

B. We own the JUNK KING service mark and other marks, as well as other Intellectual Property (as defined below) used in connection with the operation of a JUNK KING Business.

C. You desire to develop and operate a JUNK KING Business, and we have agreed to grant you a franchise to operate a JUNK KING Business subject to the terms and conditions of this Agreement.

In consideration of the foregoing and the promises and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions (other terms are defined in the body of this Agreement):

A. "Business" means the JUNK KING Business you develop and operate pursuant to this Agreement.

B. "Confidential Information" means any proprietary and non-public information, data, Intellectual Property, materials and know-how relating to the development or operation of JUNK KING Businesses, whether contained in the Operations Manual or otherwise, including, but not limited to: (1) training programs and materials; (2) databases of Customers and potential customers, including Customer Information; (3) sales and marketing programs and techniques for JUNK KING Businesses; (4) knowledge of operating systems of JUNK KING Businesses; and (5) computer systems, technology and software programs.

C. "Customer" means any person or entity (1) included on any marketing or customer lists you develop or use, including any such lists provided by us to you; (2) who has purchased or purchases products or services from you during the term (even if you have solicited the person and/or established a relationship independent of us and without our assistance) or whom you have solicited to purchase any products or services; (3) for whom you provide products or services on our behalf or at our direction; and (4) if any of the foregoing is an entity, all employees of such entity.

D. "Customer Information" means any contact information (including name, address, phone and fax numbers, and e-mail addresses), sales and payment history, and all other information

about any Customer, including any information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household.

E. "Dumpster Services" means services consisting of delivering a dumpster (typically a 12 cubic-yard dumpster) to a Customer's location for a short-term rental and removing such dumpster and disposing of its contents at the conclusion of such rental period.

F. "Effective Date" means the date designated as Effective Date on the Data Sheet. If no Effective Date is designated on the Data Sheet, the Effective Date is the date when we sign this Agreement.

G. "Franchise Location" is the premises that are located within the Territory, that meet our site selection guidelines and criteria and from which you will operate your Business.

H. "Gross Sales" include the total revenues and receipts from whatever source (whether in the form of cash, credit, agreement to pay, barter, trade or other consideration) that arise, directly or indirectly, from the operation of or in connection with your Business whether under any of the Marks or otherwise. Gross Sales exclude sales taxes collected from Customers and paid to the appropriate taxing authority and any other bona fide refunds, rebates or discounts that we authorize in writing.

I. "Intellectual Property" means patents, rights to inventions, copyright and related rights, the Marks, business names, domain names, social media accounts and identifiers (and all related content and programming, and related security codes and passwords), rights in goodwill and the right to sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection that subsist or will subsist now or in the future in any part of the world relating to the JUNK KING Business and the System, owned by us and acquired by us from time to time.

J. "Internet" means all communications between computers and television, telephone, facsimile and any other communication or communication capable devices and another such device or machine, including the World Wide Web, proprietary online services, social media platforms, blogs, E-mail, news groups and electronic bulletin boards and forums.

K. "Key Accounts" means national, regional or other customers of Junk King Businesses located within and/or outside the Territory with whom we have entered or plan to enter into contracts, programs or other arrangements (i) for servicing of multiple locations of such customers and/or (ii) that we determine are designed to benefit the System as a whole by gaining otherwise unavailable business or addressing the concerns of such customers that may require specific terms or provisions of our arrangement with them, including without limitation special insurance, experience, equipment, pricing, payment terms, turnaround requirements, or approvals.

L. "Marks" means the "JUNK KING" service mark and logo, the "neighborly" service mark and logo, and such other trade names, trademarks, service marks, trade dress, logos, social media indicators, social media handles, and commercial symbols as we may from time to time expressly authorize or direct you, in writing, to use in connection with the operation of the Business.

M. "Operations Manual" means any collection of written, video, audio and/or software media (including materials distributed electronically), regardless of title and consisting of various subparts and separate components, all of which we or our agents produce and which contain specifications, standards, policies, procedures and recommendations for operating JUNK KING Businesses, all of which we may change from time to time. The term "Operations Manual" includes all means of communicating such information, regardless of format.

N. "Preferred Lead Program" means a program that we offer to qualified franchisees that permits each such franchisee to perform services in a defined area outside of its territory (the "designated area") so long as (i) such services are for such franchisee's existing customer that has locations within and outside of such franchisee's territory (but within the designated area) and (ii) the franchisee who owns the territory in which the designated area is located also participates in the Preferred Lead Program. Additional terms and conditions of the Preferred Lead Program are set forth in the Operations Manual. You must meet the qualifications set forth in the Operations Manual before you may participate in the Preferred Lead Program.

O. "Principal Owner" means any person or entity who, now or hereafter, directly or indirectly, owns a 5% or greater interest in the franchisee when the franchisee is a corporation, limited liability company, partnership, or other entity. However, if we are entering into this Agreement totally or partially based on the financial qualifications, experience, skills or managerial qualifications of any person or entity who directly or indirectly owns less than a 5% interest in the franchisee, we have the right to designate that person or entity as a Principal Owner for all purposes under this Agreement. In addition, if the franchisee is a partnership entity, then each person or entity who, now or hereafter is or becomes a general partner is a Principal Owner, regardless of the percentage ownership interest. If the franchisee is one or more individuals, each individual is a Principal Owner of the franchisee. Each franchisee must have at least one Principal Owner. Your Principal Owner(s) are identified in the Data Sheet in Schedule A to this Agreement. As used in this Agreement, any reference to Principal Owner includes all Principal Owners.

P. "System" means our operating systems, marketing systems, business techniques, and methods, processes, policies and procedures for offering, selling and providing junk removal, dumpster rental, clean-out services, and recycling and other related services and products pursuant to certain standards and specifications, along with items of trade dress and sales, leadership and management training for the development and operation of Junk King Businesses, including all training materials; all as the same may exist today or as the same may change from time to time, as specified in the Operations Manual or as otherwise reasonably directed by us from time to time.

Q. "Territory" means the area designated on the Data Sheet. If the Territory is not designated at the time you and we sign this Agreement, we will notify you of the Territory within 30 days of the Effective Date. To the extent any portion of the Territory includes an area designated as an Indian Reserve, a governmental territory or other territory that may have separate or additional laws, regulations or other requirements for performing work in such territory, Franchisee is granted such territory only to the extent and for so long as Franchisee is qualified under such separate or additional requirements to perform work in such territory; knowledge of and compliance with such requirements being the sole responsibility of Franchisee.

GRANT OF LICENSE

2. The following provisions control with respect to the license granted hereunder:

A. Rights Granted. Subject to the terms and conditions of this Agreement, we hereby grant you the right and license to engage in and conduct, in the Territory, during the term of this Agreement, a JUNK KING Business identified by the Marks. For avoidance of doubt, you acknowledge and agree that you may only offer or provide Dumpster Services subject to compliance with Section 5.S.

You hereby accept said license and undertake the obligation to operate your Business faithfully, honestly and diligently, using the System and in compliance with this Agreement and our standards and requirements. You may not subfranchise, sublicense, assign or transfer your rights under this Agreement, except as specifically provided in this Agreement. You undertake the obligation to develop and service Customers throughout the Territory.

B. Rights to Territory. During the term of this Agreement and provided that you are in compliance with the terms and conditions of this Agreement, we will not (i) modify the Territory without your written permission, subject to your compliance with the Minimum Performance Standards set forth in Section 5.R, or (ii) subject to our reservation of rights set forth in Section 2.C, establish either a company- or affiliate-owned or franchised JUNK KING Business geographically located within the Territory.

You may not advertise or solicit customers, perform services or sell products related to the Business outside the Territory without our prior written consent, which consent we may give, condition or withdraw as we deem appropriate. If you receive a request for services or products from outside the Territory, you must refer that request to the franchisee, if any, that owns the applicable territory, or seek our written permission to process such a request. Notwithstanding the foregoing, under certain limited circumstances, you may process such a request from outside the Territory if such activity is permitted under our Preferred Lead Program as more particularly set forth in the Operations Manual.

If we permit you to advertise, solicit, service or sell in areas outside the Territory that are not serviced by another franchisee (each, a "Territory Available for Sale" or "TAFS"), you must comply with all of the conditions and other requirements that we may from time to time specify (in the Operations Manual or otherwise in writing) with respect to such activities. At any time upon our demand or upon your actual notice that a TAFS has been purchased by another franchisee, you agree to immediately cease all activities in such TAFS and to comply with our procedures for the transition of Customer accounts for such TAFS.

C. Our Reservation of Rights. Except as expressly limited by Section 2.B, we and our affiliates may engage in any activity whatsoever on any terms and conditions we deem advisable whenever and wherever we or they desire. We and our affiliates retain all rights whatsoever not expressly granted herein, including, but not limited to:

(i) the right to establish and operate, and to grant to others the right to establish and operate similar businesses or any other businesses offering similar or dissimilar products and services through similar or dissimilar channels of distribution, at any locations inside or outside the Territory (A) under trademarks or service marks other than the Marks and on any terms and conditions we deem appropriate or (B) under the

Marks, but if inside the Territory, then only pursuant to programs set forth in the Operations Manual (including the Preferred Lead Program);

(ii) the right to provide, offer and sell and to grant others the right to provide, offer and sell goods and services that are identical or similar to and/or competitive with those provided at the Franchise Location hereunder, whether identified by the Marks or other trademarks or service marks, through dissimilar channels of distribution (including internet or similar electronic media) both inside and outside the Territory and on any terms and conditions we deem appropriate;

(iii) the right to establish and operate, and to grant to others the right to establish and operate businesses offering dissimilar products and services, both inside and outside the Territory under the Marks and on any terms and conditions we deem appropriate;

(iv) the right to establish and operate, and to grant others the right to establish and operate a JUNK KING Business located anywhere outside the Territory under any terms and conditions we deem appropriate and regardless of their proximity to the Franchise Location or their actual or threatened impact on sales at the Franchise Location;

(v) (a) the right, directly or through an authorized third party (including, another franchisee), to advertise, solicit, enter into contracts with and service Key Accounts in any area, including in the Territory, upon such terms as we negotiate from time to time; or (b) further, if (i) you refuse or, in our sole judgment, are not qualified, interested or available to perform services or otherwise cannot or do not perform services for any customer located within the Territory, including a Key Account, (ii) you request assistance in the performance of services to a customer, or (iii) a customer, orally or in writing, specifically requests services within the Territory from a different franchisee or another third party, we have the right to authorize another franchisee (or designate or authorize a corporate employee or any other third party) to perform services for or sell products to the applicable customers inside the Territory. You agree that you will not be entitled to any compensation for sales or services performed inside the Territory by someone other than you as contemplated under this paragraph;

(vi) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at the Business, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Territory); and

(vii) the right to be acquired (in whole or in part and regardless of the form of transaction), by a business providing products and services similar to those provided at the Business, or by another business, even if such business operates, franchises and/or licenses a business(es) that competes with you in the Territory.

TRADEMARK STANDARDS AND REQUIREMENTS

3. We hereby grant you the right to use the Marks in connection with the operation of the Business hereunder, subject to the following terms and conditions:

A. Mark Ownership. The Marks are our and/or our affiliates' valuable property, and we and/or our affiliate(s) are the sole and exclusive owner of all right, title and interest in and to the Marks and all past, present or future goodwill of the Business and of the business conducted that is associated with or attributable to the Marks. Your use of the Marks will inure to our benefit. You may not, during or after the term of this Agreement, engage, directly or indirectly, in any conduct that would infringe upon, harm, contest or otherwise interfere with our or our affiliates' rights in any of the Marks or the goodwill associated with the Marks, including any use of the Marks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media. You agree that you will not grant or attempt to grant a security interest in, or otherwise encumber, the Marks or record any such security interest or encumbrance against any application or registration regarding the Marks in the United States Patent and Trademark Office or elsewhere.

B. Use of Marks. You may not use, or permit the use of, any trademarks, trade names, logos, service marks or any other names or marks in connection with the Business except those we authorize or direct in writing. You may use the Marks only in the form and manner we prescribe in writing and only in connection with the products and services that we specify and that meet our standards and requirements with respect to quality, production, installation and sale. You must strictly comply with all trademark, trade name and service mark notice marking requirements and other brand usage guidelines that we may provide from time to time.

C. Business Identification. You must use the name JUNK KING and the city, county or region we designate for you as the trade name of the Business (e.g., Junk King Burlingame), and you must obtain and maintain corresponding fictitious or assumed name registration as required under applicable laws in the jurisdiction in which your Business is located and provide us with evidence of the same prior to opening for business. You may not use the words "JUNK KING" or any other Mark as part of the name of your corporation, partnership, limited liability company or other business entity. You may not use any other mark or words to identify the Business without our prior written consent. You may not change your legal entity name, trade name, or fictitious or assumed name without our prior written consent. You may use the Marks on various materials associated with the Business, such as business cards, stationery and checks; provided that you (i) accurately depict the Marks on the materials as we direct, (ii) use the Marks in accordance with all of our trademark usage and branding standards, (iii) include a statement on the materials indicating that the Business is independently owned and operated by you, (iv) do not use the Marks in connection with any other trademarks, trade names, logos, service marks or any other names or marks unless we specifically approve in writing prior to such use, and (v) make available to us, upon our request, a copy of any materials depicting the Marks. You must put Customers on notice (by language in your contracts) identifying you as a JUNK KING franchisee in a format we deem acceptable, including an acknowledgment that you independently own and operate the Business.

D. Litigation. If any person or entity improperly uses or infringes the Marks or challenges your use or our use or ownership of or the validity of the Marks, we will control all litigation and other proceedings and we have the right to determine whether suit or other proceeding will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you become aware or any challenge or claim arising out of your use of any Mark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses incurred in connection with any such action, unless the challenge or claim results from your misuse of the Marks in violation of this Agreement, in which case you must pay us for our costs and expenses including our attorney's fees.

Provided that you are using the Marks in compliance with the terms of this Agreement, we will defend, at our own expense, any action against you brought by a third party alleging that any of the Marks infringes any U.S. trademark of a third party, and we will pay those costs and damages finally awarded against you in any such action that are specifically attributable to such claim or those costs and damages agreed to in a monetary settlement of such action. The foregoing obligations are conditioned on you: (i) notifying us promptly in writing of such action; (ii) giving us sole control of the defense thereof and any related settlement negotiations; and (iii) cooperating and, at our request and expense, assisting in such defense.

E. Changes. Unless we direct you so in writing, you may not make any changes or substitutions to the Marks. We reserve the right to change the Marks at any time and you must comply with any such changes within the time frames we specify.

F. Creative Works. All ideas, business ventures, concepts, inventions, techniques, or materials concerning a JUNK KING Business, whether or not protectable Intellectual Property and whether created by or for you or one of your owners or employees, must be promptly disclosed to us in writing and will be deemed to be solely and exclusively our property, part of the System, and "works made-for-hire," as the phrase is defined in the Copyright Act of 1976 (17 U.S.C. 101 et seq.), for us. To the extent any item does not qualify as a "work made-for-hire" for us, by operation of law or otherwise, you agree to assign and hereby irrevocably assign, for no additional consideration, ownership of that item, and all related rights to that item, to us, our successors and assigns, including without limitation, the right to sue, counterclaim, and recover for all past, present, and future infringement, misappropriation, or dilution thereof, and all rights corresponding thereto throughout the world and agree to take whatever action (including signing an assignment agreement or other documents or obtaining an assignment from any third party, when necessary) we request to show our ownership or to help us obtain intellectual property rights in the item. Notwithstanding anything to the contrary, neither the expiration nor the termination of this Agreement shall affect our ownership of the items herein or alter any of our rights or privileges hereunder.

TERM AND RENEWAL

4. The following provisions control with respect to the term and renewal of this Agreement:

A. Term. The initial term of this Agreement commences on the Effective Date and expires on the 10-year anniversary of the Effective Date, unless terminated earlier as provided herein.

B. Renewal Term and Conditions of Renewal. You may renew your license for one renewal term of 10 years; provided that: (i) you have given us written notice of your request to renew at least 180 days but not more than 240 days prior to the end of the expiring term; (ii) you sign our then-current form of franchise agreement (modified to reflect that the agreement relates to the grant of a renewal), the terms of which may differ from this Agreement, including higher fees; (iii) you are not in default of this Agreement or any other agreement pertaining to the franchise granted, have satisfied all monetary and other material obligations on a timely basis during the term, are in good standing, have received no more than 2 written notices of default during the term of this Agreement, and have not failed to meet the Minimum Performance Standards for any two calendar years (or two measurement periods, as applicable) during the term; (iv) you comply with our then-current training requirements; (v) you and your guarantors execute a general release of claims in a form we prescribe; and (vi) you pay a renewal fee of $5,000.

C. Interim Period. If this Agreement expires without you properly exercising your renewal right and you continue to accept the benefits of this Agreement thereafter, then, at our option, we may treat this Agreement either as (i) expired as of the date of expiration, with you then illegally operating a franchise in violation of our rights; or (ii) continued on a month-to-month basis (the "Interim Period") until both parties agree to enter into our then-current form of franchise agreement for a renewal term or until one party provides the other with written notice of termination, in which case the Interim Period will terminate 30 days after receipt of the notice of termination. In the latter case, all of your obligations shall remain in full force and effect during the Interim Period as if this Agreement had not expired, except that the License Fee during the Interim Period will be increased to 10% of Gross Sales for all types of products/services and without any reductions. All obligations and restrictions imposed on you upon expiration of this Agreement shall take effect upon termination of the Interim Period.

OPERATIONS STANDARDS AND REQUIREMENTS

5. You must implement and abide by our requirements and standards directed to enhancing substantial System uniformity. The following provisions control with respect to operation of your Business:

A. Franchise Location. You are responsible for finding and purchasing or leasing a site that meets our site selection guidelines and standards and is located in the Territory. We will approve your site as long as it meets our site selection guidelines and we will attempt to provide our approval or disapproval within 10 business days after you submit the location information (together with evidence of compliance with our site selection guidelines) to us. In addition, your Franchise Location must meet the following conditions:

(i) You must begin operating your Business within 6 months of the date we sign this Agreement, although you may not commence operations of your Business until you have satisfactorily completed our training program and complied with your other pre-opening obligations. We are not responsible or liable for any of your pre-opening obligations, losses or expenses, including those you might incur for your failure to comply with these obligations or your failure to open by a particular date. We have no responsibility for any lease; it is your sole responsibility to evaluate, negotiate and enter into a lease or a purchase agreement for the Franchise Location premises.

(ii) You must construct and equip your Franchise Location in accordance with our current approved specifications and standards as set forth in the Operations Manual. You must maintain and periodically refresh the building, equipment, vehicles, fixtures, furnishings, signage and trade dress (including the interior and exterior appearance) used in the operation of your Business in accordance with our requirements established periodically and any periodic evaluations of the premises by our representatives.

From time to time as we require, you must effect items of modernization and/or replacement of the premises, trade dress, vehicles, equipment and grounds as may be necessary for your Business to conform to the standards for similarly situated new JUNK KING Businesses.

Each Transfer of any interest in this Agreement or your Business under Section 10 and each renewal under Section 4 are expressly conditioned upon your compliance with our then-current modernization or replacement requirements.

(iii) If you need to relocate your Franchise Location for reasons other than your breach of your lease, we will grant you authority to relocate to another site within the Territory that meets our site selection guidelines and standards; provided that you are not in default under this Agreement or any other agreement with us and you are current on all of your financial obligations to us, our affiliates and third parties. You still must continue to operate the Business at all times during any such relocation.

(iv) In the limited instance that Google (or another designated vendor we use for search engine optimization purposes to drive online customer marketing) requires a secondary physical location in your Territory (in addition to your Franchise Location) in order to align with the marketing areas identified by Google/the vendor, we and you will agree on how you can establish and operate the secondary location in a manner that meets Google/the vendor's requirements as well as our applicable System standards for a secondary location; provided that this requirement will not apply during the first year of operation of the Business.

B. Vehicle Acquisition and Maintenance. You must acquire and maintain, at your sole expense, one or more vehicles as specified by us for use in the Business. Each vehicle shall be equipped, outfitted, insured and maintained in accordance with our specifications and standards. You must maintain the interior, exterior and mechanical parts of all required vehicles in good repair and condition and regularly service and maintain the vehicles to keep them clean and in good working order.

C. Authorized Services and Products. You can only offer and sell authorized services and products from your Business and you must refrain from selling any other services or products. You may not deal in any way with any hazardous materials (as such term is from time to time defined in the Operations Manual). You must use in the operation of your Business and in the offer and sale of authorized services and products of your Business only those techniques, procedures and supplies we specify in writing. You acknowledge and agree that we may change any of our requirements periodically and you agree to conform to any such changes. All Customer service materials, techniques, and promotional items of all descriptions and types must meet our standards of uniformity and quality.

D. Approved Supplies and Suppliers. We reserve the right to require that you only use approved products, services, inventory, equipment, signs, advertising materials, and other items (collectively "approved products and supplies") in the Business. We may introduce new products and supplies and change previously approved products and supplies from time to time and you agree to promptly comply with our new or changed requirements. Although we do not do so for every item, we have the right to approve the supplier of approved products and supplies. You acknowledge and agree that certain approved products and supplies may only be available from one approved supplier source, and we or our affiliates may be that source. You will pay the then-current price in effect for any approved products and supplies you purchase from us or our affiliates. All products, materials, services, and other items and supplies used in the operation of the Business must conform to the specifications and standards we establish from time to time. We may furnish to you from time to time lists of approved products and supplies and/or approved suppliers, which lists we may amend from time to time. We or our affiliate may make available to you the opportunity to participate from time to time in certain discounts, rebates or other benefits in connection with your purchases from approved suppliers.

WE AND OUR AFFILIATES MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES OR OTHER ITEMS WE APPROVE AND WE EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION AND ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, OR OTHER APPROVED ITEMS.

E. Computer System. You must purchase a computer system (including all future updates, supplements and modifications) and other technology that meets our standards and requirements (the "Computer System"). The Computer System will be used to develop a database of Customers and prospective customers and other related Customer Information, schedule appointments, generate proposals, maintain communications over the Internet, and produce your accounting records. You agree that, without our prior written consent, you may not input, provide or otherwise use any Confidential Information in connection with any Computer System that leverages artificial intelligence or machine learning models, including but not limited to any publicly-available generative AI tools (*e.g.,* ChatGPT). The foregoing restriction includes inputting, providing or otherwise using any Confidential Information to train, develop or modify any such models.

You may be required to license software from us, our affiliate, or a third party and you also may be required to sign software license agreements and pay an additional software licensing or user fee(s) in connection with your use of the software. All right, title and interest in and to the software will remain with the licensor of the software. You will be liable for all damages (under this Agreement, any other software license agreement you execute and under applicable law) and problems caused by your use of any software on the Computer System. You acknowledge and agree that we will have full and complete access to the information and data entered into or produced by the Computer System, including, without limitation, email communications and related data, and we can use the same in any way we deem appropriate, including in connection with the development, training, or modification of artificial intelligence / machine learning models, subject to applicable law. You must have Internet access with a form of high speed connection as we may require and you must maintain a dedicated email account for the Business, separate from any personal or other email account. You must purchase any upgrades, updates, enhancements and/or replacements to the Computer System and/or related hardware, software or other technology as we may from time to time require. It is your responsibility to make sure that you are in compliance with all laws that are applicable to the Computer System, including all data protection, privacy and security laws as well as payment card industry (PCI) compliance.

As to any malfunctioning of the Computer System or any website as further described in Section 5.L., neither we nor any affiliate will be liable to you for any consequential, incidental, indirect, economic, special, exemplary or punitive damages, such as, but not limited to, loss of revenue or anticipated profits or lost business, even if you have advised us that such damages are possible as a result of any breach or malfunction.

F. Customer Information. You agree that we own all Customer Information and may use the Customer Information as we deem appropriate (subject to applicable law), including disclosing it to vendors, developing, training or modifying artificial intelligence / machine learning models, or sharing it with our affiliates for cross-marketing or other purposes. You may only use Customer Information for the purpose of operating the Business to the extent permitted under this Agreement, including the Operations Manual, during the term hereof and subject to such

restrictions as we may from time to time impose and in compliance with all data privacy, security and other applicable laws. Without limiting the foregoing, you agree to comply with applicable law in connection with your collection, storage, disclosures and your use and our use of such Customer Information, including complying with all laws and regulations relating to data protection, privacy and security, including data breach response requirements ("Privacy Laws"), as well as data privacy and security policies, procedures and other requirements we may periodically establish. Some laws require you to obtain consent to collect, store, disclose, and use (collectively "process") personal information or provide notice regarding your processing of personal information. You are responsible for obtaining appropriate Customer consent and notice, as well as all necessary rights in the Customer Information, to ensure you and we may process Customer Information as outlined in this Agreement, including but not limited to as set forth in Section 5(E). You must notify us immediately of any suspected data breach at or in connection with the Business. You must fully cooperate with us and our counsel in determining the most effective way to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You are responsible for any financial losses you incur or remedial actions that you must take as a result of breach of security or unauthorized access to Customer Information in your control or possession.

If any federal or state Privacy Law, including the California Consumer Privacy Act, as revised by the California Consumer Privacy Rights Act, Cal. Civ. Code § 1798.100, et seq. (collectively, "CCPA"), and any related regulations, applies to the operation of the Business, whenever and to the extent you operate as a "Service Provider" or "Contractor" under the CCPA, a data processor, or in a similar capacity under any federal or state Privacy Law, you represent and warrant that:

(1) Except for the purpose of operating the Business in accordance with this Agreement, including the Operations Manual, you will not retain, use, combine or disclose any Customer Information;

(2) You will not sell, share, make available or otherwise disclose any Customer Information to any third party for valuable consideration or for the purpose of performing cross-context behavioral advertising, targeted advertising, or profiling, as those terms are defined under applicable Privacy Laws;

(3) You will not retain, use, or disclose Customer Information outside of the direct business relationship between you and us;

(4) You will delete any Customer Information upon our request unless you can prove that such request is subject to an exception under applicable law; and

(5) If you receive a Customer Information data request (e.g., a request to delete Customer Information) directly from a consumer (e.g., a California resident under the CCPA, or a resident of another jurisdiction under other applicable Privacy Law), you shall inform us of that request within one business day and cooperate with us to ensure that the consumer receives an appropriate and timely acknowledgement and response.

(6) You will implement reasonable security procedures and practices appropriate to the Customer Information you collect, retain, use or disclose, in order to protect it from unauthorized or illegal access, including following minimum requirements that may be set forth in the Operations Manual.

(7) You will cooperate with us to the extent necessary to assist us with conducting required data protection assessments or other similar assessments under applicable Privacy Laws, responding to Customer Information data requests, responding to requests or inquiries from government authorities, or if we seek to ensure that you have collected, retained, used, or disclosed Customer Information consistent with Privacy Laws and this Agreement, including but not limited to providing us with requested compliance documents, or allowing us or our designee to assess, audit, or test your privacy and security controls at least annually.

(8) You will cooperate with us to stop or remediate any unauthorized use of Customer Information, including verifying that you no longer retain or process personal information that a consumer has asked you or us to delete under applicable Privacy Laws.

(9) You will notify us immediately if you determine you cannot meet your obligations under Privacy Laws or this Agreement regarding your collection, retention, use, or disclosure of Customer Information.

You certify that you understand the restrictions in Paragraphs (1) – (9) of this section and will comply with them. You also acknowledge and agree that we may modify these restrictions from time to time by written notice to you, by issuing updates to our standards and policies pertaining to Privacy Laws, including by adding other similar restrictions that may be required under other state or federal Privacy Laws, and you agree to comply with the same. You also agree to execute any addenda that we may determine are required to conform this Agreement to new or changed Privacy Laws.

To the extent that you engage a another person to collect, use, sell, share, store, disclose, analyze, delete, modify, or to otherwise perform any processing of Customer Information for the purpose of operating the Business (a "Subprocessor"), you will notify us of such engagement, which shall be governed by a written contract that includes the same restrictions as in Paragraphs (1) – (9) of this section and imposes reasonable confidentiality obligations and privacy and security controls on the Subprocessor.

G. Operating Procedures; Operations Manual. We will loan you a copy of our Operations Manual. We will make it available to you online or in such other manner and format as we approve. You acknowledge that the Operations Manual is at all times our Intellectual Property and owned exclusively by us. You must, at all times, treat the Operations Manual, and the information it contains, as secret and confidential, and must use all reasonable efforts to maintain such information secret and confidential. You must adopt and use as your continuing operational routine the required standards, service style, procedures, techniques and management systems described in the Operations Manual or other written materials relating to the Business provided from time to time by us. We will revise the Operations Manual and these standards, procedures, techniques and management systems periodically to meet changing conditions and in the best interest of the JUNK KING Businesses and the System. We will notify you of any such updates or revisions and you expressly agree to comply with each new or changed requirement. You must at all times ensure that your copy of the Operations Manual is kept current and up to date, and in the event of any dispute as to the contents of said Operations Manual, the terms of the master copy of the Operations Manual that we maintain are controlling.

The Operations Manual will contain both mandatory standards and recommended standards. Any required standards exist to protect our interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are

reserved to you. The required standards generally will be set forth in the Operations Manual or other written materials. The Operations Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided you meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and the Marks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

H. Confidential Information. You may not, during the term of this Agreement or thereafter, communicate, divulge or use any Confidential Information for the benefit of any other person or entity, except that you may communicate Confidential Information to such employees as must have access to it in order to operate the Business. All Confidential Information, including, without limitation, methods, procedures, suggested pricing, specifications, processes, materials, techniques, Customer Information and other data, may not be used for any purpose other than operating the Business hereunder. In the interest of protecting our System, we may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from your owners (if franchisee is an entity), your spouse, your manager and other key employees. You must provide executed copies of these agreements to us upon our request. A copy of the current Confidentiality Agreement form to be used with your owners (if franchisee is an entity) or your spouse is included as Schedule F. Notwithstanding anything to the contrary herein, as between you and us, you agree that all Confidential Information, including all Intellectual Property rights therein, belong to us.

I. Evaluations. We and our authorized representative have the right to visit and inspect your Business at all reasonable times during the business day for the purpose of making periodic evaluations and to ascertain your compliance with the provisions of this Agreement, and to inspect and evaluate your services, supplies or products and other aspects of your Business. Any failure of an inspection is a default under this Agreement. Further, if we determine that any condition in the Business presents a threat to customers or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Business until the situation is remedied to our satisfaction. Any evaluation or inspection we conduct is not intended to exercise control over your day-to-day operation of your Business or to assume any responsibility for your obligations under this Agreement.

J. Compliance with Laws; Licenses and Permits. You must, at your expense and at all times, maintain and conduct your Business operations in compliance with all applicable federal, state and local laws, regulations, codes and ordinances. You must secure and maintain in force all required licenses, permits and certificates relating to your Business, including but not limited to obtaining and maintaining required authorizations from federal and state transportation authorities and public utility commissions. Without limiting the foregoing, if you or any of your Principal Owners is not a U.S. national, you represent that you and/or such Principal Owner(s) have an immigration status that allows you and/or such Principal Owner(s) to live and work in the United States, and you hereby promise that you and/or such Principal Owner(s) will maintain such status during the term of this Agreement.

You acknowledge that you are an independent business and responsible for control and management of your Business, including, but not limited to, the hiring and discharging of your employees, tax withholdings, and setting and paying wages and benefits of your employees. You

acknowledge that we have no power, responsibility or liability in respect to the hiring or discharging of employees, tax withholdings or setting or paying of wages or related matters.

You must immediately notify us in writing of any claim, litigation or proceeding that arises from or affects the operation or financial condition of your Business or names us as a party.

K. Participation in Internet Websites or Other Online Communications. We may require you, at your expense, to participate in our JUNK KING website on the Internet, our intranet or extranet system or other online communications as we may from time to time prescribe. We have the right to determine the content and use of our website and intranet or extranet system and establish the rules under which franchisees may or must participate. We will post your Business contact information on our website. You may not separately register any domain name containing any of the Marks or operate a website or social media account for your Business. We reserve the right to pre-approve, establish rules, procedures and policies relating to any website and social media account that you create or use for the operation of your Business. We may immediately terminate this Agreement if you register any domain name or social media account containing any of the Marks. We retain all rights relating to our website, intranet system and social media accounts and may alter or terminate our website, extranet system or intranet system, or any social media accounts. Your general conduct on our website, social media accounts, intranet or extranet system or other online communications and specifically your use of the Marks or any advertising is subject to the provisions of this Agreement. You acknowledge that certain information related to your participation in our website, social media accounts, extranet system or intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our website, social media accounts, and intranet or extranet system, or otherwise use the Marks or System on the Internet or other online communications, will terminate when this Agreement expires or terminates. You acknowledge and agree that you do not have any right to use the Marks or other Intellectual Property of the System on any website or any social media platform except as expressly approved by us in writing.

Unless we direct otherwise, simultaneously herewith, you agree to execute the Telephone Number and Internet Agreement (attached hereto as Schedule E), pursuant to which you assign to us ownership of all Telephone Listings and Internet Listings (each term as defined in Schedule E).

L. System Modifications. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the System to changing conditions, competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. You must comply with these modifications, additions or rescissions at your expense, subject to any express limitations set forth in this Agreement.

M. Suggested Pricing Policies. Based on examples from JUNK KING Businesses, we may, from time to time, make suggestions to you with regard to your pricing policies. In addition, we have the right to negotiate Key Account arrangements, including pricing which will bind all JUNK KING Businesses providing services to such Key Accounts. Although you generally have the right to establish prices for the products and services you sell, we reserve the right to establish and enforce prices, both minimum and maximum, to the extent permitted by applicable law.

N. Key Accounts. We have established and administer a Key Accounts program. You must participate in it and must comply with all Key Accounts standards and procedures set forth in the Operations Manual and/or as we may otherwise communicate to you, as well as the

specific terms of our arrangement with each applicable Key Account, which terms may include, without limitation, the provision of certain insurance and other products and services, special pricing, payment terms, turnaround on services, etc.

If we handle the billing, invoicing, and collections for a Key Account, we will pay to you the Gross Sales we receive from the Key Account related to services provided by you in the Territory, less an administrative fee specified for each job by us ranging from 12% to 20% of such Gross Sales. We reserve the right to determine the administrative fee and fee split between us and you for each job. We will disclose the applicable fee to you upon request. You agree to these fees and fee splits between us and you in consideration of obtaining access to the Key Accounts and the administrative costs that we incur related to such Key Accounts. You acknowledge that we will not be obligated to reimburse you for any fees that we are unable to collect from a Key Account and that you bear the risk of any non-payment by a Key Account. If you refuse or otherwise fail to service a Key Account job, you will be required to pay us an amount equal to the dollar value of the Key Account job plus a 20% processing fee; provided that your payment of such amount shall not waive any of our other rights or remedies hereunder and under applicable law, including, without limitation, termination of this Agreement if you thereafter continue to fail to comply with your obligations under the Key Accounts program.

O. Customer Service; Service Warranties. You must honor our warranty policies for services you provide to Customers, as described in the Operations Manual. You are solely responsible for the quality and results of the services and products you sell and provide to Customers, maintaining a continuing responsibility with respect to such services and products beyond the termination or expiration of this Agreement. You must render and must cause each of your employees to render prompt, competent and courteous service to Customers and you shall offer and honor such service warranties as we direct.

You must respond to any dissatisfied Customers within 24 hours after the complaint is received or as otherwise set forth in the Operations Manual. If you are unable to equitably resolve the Customer's complaint within 3 days after the initial contact, you must contact us for assistance in handling the complaint. In no event shall our assistance be construed to make us liable to you or to a Customer in connection with such complaint. You are solely responsible for satisfactorily and timely resolving all warranty claims, Customer disputes, and online Customer reviews. Should you fail to do so, you must reimburse the cost of any such services to us or any third party that we authorize to perform the services or you must reimburse us for any refund or other payment we may make to a Customer (as applicable). We may at any time contact Customers concerning the quality of services you provide, the level of Customer satisfaction, or other aspects of the Business that we deem relevant.

P. Ethical Business Conduct. You agree to adhere to good business practices, observing high standards of honesty, integrity, fair dealing and ethical business conduct and good faith in all business dealings with Customers, vendors, your employees, our corporate employees, and all other Junk King franchisees. You must not engage in deceptive, misleading or unethical practices or conduct that may have a negative impact on the reputation and goodwill associated with the Marks.

Q. Crisis Situations. In the interest of protecting the Junk King brand, Marks and the System, we have the sole and absolute right to determine a response, including what steps will be taken and what communications will be made, in instances of a Crisis, and you agree to comply with and implement our directions in response to a Crisis. "Crisis" means an event or development

that negatively impacts the Junk King brand or System in such a way that we determine may cause substantial harm or injury to the Marks, System, the Intellectual Property associated with the System, or the reputation or image of the Junk King brand.

R. Minimum Performance Standards. Beginning with the second full calendar year of operating the Business, the Business must achieve (a) in each calendar year, annual Gross Sales that are in the top 90% of the annual Gross Sales per franchised business for the JUNK KING franchise system for that calendar year (the "Gross Sales MPS") and (b) a Net Promoter Score (or another customer satisfaction survey score we designate) ("NPS") that is not more than 10 points below the average NPS for the JUNK KING franchise system for each applicable measurement period we set (the "Customer Satisfaction MPS" and collectively with the Gross Sales MPS, the "Minimum Performance Standards"). If you operate multiple JUNK KING businesses, the Minimum Performance Standards will apply separately to each franchised business. You agree we can make changes to the Minimum Performance Standards upon 6 months' prior written notice in accordance with our Reasonable Business Judgement (as defined in Section 14.G.3) and so long as such revised Minimum Performance Standards are applied to all similarly situated JUNK KING franchised businesses.

If you do not meet the Gross Sales MPS (i.e., the Business' annual Gross Sales are in the bottom 10% of the JUNK KING franchised businesses for that calendar year) for any applicable calendar year or the Customer Satisfaction MPS for any applicable measurement period, we will meet with you to identify the reasons for the substandard performance and establish a performance improvement plan ("PIP") for the Business to take specific actions with the goal to improve the overall performance of the Business, including its annual Gross Sales and/or NPS. Your failure to implement or comply with the PIP over the three to six month period we designate will be a default under this Agreement, subject to a 30-day cure period. During the cure period, you will have the opportunity to advise us of your intent to sell the Business to a third party, in which case we will give you an additional 90 days (from the date of your notice of intent to sell) to transfer the Business in accordance with the transfer requirements of Section 10 of this Agreement. Failure to timely cure the default or transfer the Business as provided herein will give us the right to either reduce the size of your Territory or terminate this Agreement.

S. Dumpster Services.

(i) You must offer Dumpster Services in the Territory, subject to compliance with the following terms and conditions:

(a) you must begin offering Dumpster Services by a date (the "Dumpster Services Launch Date") that is the earlier of (i) the thirty-six (36) months' anniversary of the Effective Date, or (ii) the date on which the Business achieves cumulative Gross Sales of $600,000;

(b) you must purchase and maintain at least seven dumpsters meeting our specifications from a vendor that we approve or designate;

(c) you must purchase and maintain at least one additional vehicle that meets our specifications and is capable of handling dumpsters; and

(d) you must comply with any other specifications or standards related to the Dumpster Services as we may from time to time specify in the Operations Manual or our other written communication.

If you fail to offer Dumpster Services by the Dumpster Services Launch Date, we reserve the right to (x) grant the rights to provide the Dumpster Services in the Territory to another third party; or (y) charge you up to $600 per month until you begin offering Dumpster Services in compliance with this Agreement.

(ii) You acknowledge and agree that states, localities, and neighborhoods may regulate the transportation, placement, and use of dumpsters, as well as disposal of their contents. You are solely responsible for the investigation of and compliance with all applicable laws related to the provision of the Dumpster Services.

(iii) We may terminate your right to offer the Dumpster Services (a "Dumpster Service Termination") upon written notice to you if you (a) are not compliant with this Section 5.S (including by failing to maintain the required number of dumpsters and a vehicle capable of handling the dumpsters) and you do not cure the default within 30 days of receiving written notice from us; (b) do not receive any Gross Sales from Dumpster Services during any month and you do not cure the default within 30 days of receiving written notice from us; or (c) provide written notice to us that you no longer intend to offer the Dumpster Services.

(iv) If a Dumpster Service Termination occurs, (a) you will lose your right to offer Dumpster Services in the Territory, (b) we or our affiliates will have the right to offer and provide, or license others to offer and provide, Dumpster Services in the Territory using the Marks and the System (or any other marks or system), and (c) you will be required to de-identify and change the color scheme of the dumpsters and related vehicle and dispose of such assets in accordance with our instructions.

T. Customer Care Center; JunkWare. We agree to maintain (directly or indirectly through an affiliate or a third-party vendor) a customer care and call center (the "Customer Care Center") to process all orders for services and to handle Customer inquiries on a system-wide basis. Your participation may be subject to separate written terms and conditions that we or our designee may from time to time require. The Customer Care Center is intended to provide an efficient and uniform system for placement and retrieval of orders for services and handling Customer inquiries and complaints, and to provide a mechanism for establishing a Customer database and providing management reports to Junk King franchisees.

(i) We will provide you a password-protected access to our proprietary software, JunkWare. You agree to keep the password confidential at all times and will not release it to any person, including any employee of the Business, without our prior written consent. Promptly upon receipt of a Customer order for services within the Territory, we will post such order on JunkWare. You agree to promptly retrieve all orders for the services in the Territory from JunkWare. You acknowledge and agree that except as explicitly provided for in this Agreement, you are not permitted to receive or fill any order for Customer services within the Territory other than those orders that are placed or processed through the Customer Care Center and posted on JunkWare. If you receive an order via your local telephone number or any other method, you must process the order through the Customer Care Center and JunkWare. Notwithstanding the foregoing, if you receive a

request to provide services to a new Customer (an "Unsolicited Order") while providing services to another Customer, and your employees do not have the opportunity to first process the Unsolicited Order through JunkWare before rendering the services to such new Customer, you may service the Unsolicited Order; provided, that immediately after completion of the Unsolicited Order, you process the Unsolicited Order through JunkWare (i.e., by entering all the particulars of the Unsolicited Order, including the name and address of the Customer, the amount charged for the services, and the date on which the Unsolicited Order was made and completed).

(ii) You agree that:

(a) In consideration of the services provided to you by the Customer Care Center, you agree to pay us the Customer Care Center Fee in accordance with Section 8.D;

(b) The Customer Care Center Fees will be used to cover the operating expenses of the Customer Care Center;

(c) Except as expressly provided for in this Section, we assume no obligation or liability to you with respect to the maintenance, direction, or administration of the Customer Care Center. We have the sole right and responsibility to control and direct the policies, direction, administration, and operation of the Customer Care Center. You are not a third-party beneficiary and have no right to enforce any contributions from other franchisees or the administration of the Customer Care Center. Our obligation with respect to the Customer Care Center is contractual in nature; and

(d) You must participate in all programs established and required by us involving the Customer Care Center, including, without limitation, our Unclosed Estimate Program, pursuant to which, pursuant to the terms of a separate agreement (the "Unclosed Estimate Program Agreement") the Customer Care Center will provide follow up outreach to prospective customers for whom you have prepared job estimates in an effort to close the customer sale, which outreach may include Customer Care Center offering discounts to customers as provided in the Unclosed Estimate Program Agreement.

PERSONNEL AND SUPERVISION STANDARDS

6. The following provisions and conditions control with respect to personnel, training and supervision:

A. Supervision of the Business; Guarantors. You, or your Principal Owner(s) (as identified on the Data Sheet) if you are a business entity, must devote full-time attention to your Business, which at all times must be under your, or your Principal Owner(s)'s direct and active supervision and management. If you are a business entity, (i) all your owners must sign a Confidentiality Agreement; (ii) you must designate one or more Principal Owners; and (iii) all persons and entities that, as of the date of this Agreement hold, or during the term of this Agreement become holders of, 5% or more of your ownership interests must personally guarantee your performance hereunder to us by executing the personal guarantee attached hereto as Schedule C.

If two (2) or more persons are the Franchisee or guarantors, their obligations and liability to us shall be joint and several.

B. Training. You must comply with all of the training requirements we prescribe for the Business. You, or your Principal Owners if you are a legal entity, must attend our initial training program and complete it to our satisfaction. You must pay all costs and expenses, including hotel and transportation costs, you incur in attending our initial training program. The training requirements may vary depending on your experience and other factors specific to the Business. If you are given notice of default that relates, in whole or in part, to your failure to meet any operational standards, we may require that, as a condition of curing the default, you and your manager, at your expense, comply with the additional training requirements we prescribe. Under no circumstances may you permit management of the Business' operations on a regular basis by a person who has not successfully completed to our reasonable satisfaction all applicable training we require.

C. Ongoing Training. We may require you and other key employees of the Business to attend ongoing training at our training facility or other locations we designate. If you request training in addition to the initial training program identified above, we reserve the right to charge you a training fee, plus you must pay your costs and expenses in connection with such training. Any training provided by us to any of your workers will be limited to training or guidance regarding the delivery of approved services to clients in a manner that reflects the customer and client service standards of the System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your workers. You are solely responsible for ensuring that your workers receive adequate training.

D. Staffing. You must employ a sufficient number of competent and trained employees to ensure efficient service to Customers. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or the Marks in any way shifts any employee or employment related responsibility from you to us.

E. Attendance at Reunion and Meetings. You must attend, at your expense, any annual franchise convention we may hold or sponsor and any meetings relating to new services or products, new operational procedures or programs, training, business management, sales or sales promotion, or similar topics, including any system-wide teleconferences or web-conferences, as more particularly set forth in the Operations Manual. We reserve the right to charge you a fee to attend any such franchise conventions, meetings, programs or other trainings. If you are not able to attend a meeting or convention, you must give us prior notice and must have a substitute person acceptable to us attend such meeting or convention. If you do not attend or participate in the annual franchise convention (Reunion) and/or the regional Summit Meeting, you will be charged up to $2,000 on a pro-rata basis based on number of days you miss at said convention or summit. Nothing in this Agreement is intended to require us to hold any annual conventions or other meetings.

MARKETING

7. You agree to actively promote your Business, to abide by all of our marketing and advertising requirements and to comply with the following provisions:

A. MAP Fund. We have established and manage a Marketing, Advertising and Promotion Fund for JUNK KING Businesses (the "MAP Fund"). All MAP Fees (as defined in

Section 8.D) you pay to us hereunder will be placed in the MAP Fund. On behalf of our company and affiliate-owned JUNK KING Businesses, we will pay the same MAP Fee as similarly situated franchised JUNK KING Businesses. The MAP Fund is not a trust or escrow account, and we have no fiduciary obligation to franchisees with respect to it. We have the right to make disbursements from the MAP Fund for expenses incurred in connection with the cost of formulating, developing, implementing and administering marketing, advertising, public relations, and promotional campaigns. The disbursements may include payments to us for the expense of administering the MAP Fund, including accounting expenses and salaries and benefits paid to our employees engaged in the administration and operation of the MAP Fund or otherwise providing services with respect to the MAP Fund. We have the right to determine the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs. Because of the methods used, we are not required to spend a prorated amount on each JUNK KING Business or in each advertising market. We, as the administrator of the MAP Fund, may collaborate with the administrators of advertising funds of certain other franchise systems affiliated with us. You acknowledge that there can be no assurance that the MAP Fund's participation in these collaborations and joint efforts will benefit JUNK KING Businesses proportionately or equivalently to the benefits received by any other franchised businesses of the other participating affiliated franchise systems.

The MAP Fund will be accounted for separately and will not be used to defray any of our general operating expenses, except for such expenses, administrative costs and overhead relating to MAP Fund business, including compensation of employees and others providing services to the MAP Fund and other expenses that we incur in activities related to maintaining, administering, directing and conducting the MAP Fund programs, including, without limitation, conducting market research and public relations activities; preparing advertising promotion and marketing materials; and collecting and accounting for MAP Fund contributions and expenses. If requested, we will provide you an annual unaudited statement of the financial condition of the MAP Fund.

We assume no direct or indirect liability or obligation to you with respect to collecting amounts due to the MAP Fund or related to our maintenance, direction or administration of the MAP Fund, including with respect to the efficiency or effectiveness, if any, of the MAP Fund in enhancing the Marks, brand or System or advancing the business interests of a franchisee or franchisees in general.

We have the right, but not the obligation, to cause the MAP Fund to be incorporated or operated through an entity separate from us at such time as we deem appropriate, and any such successor entity shall have all our rights and duties under this Section 7.A. We may use collection agents and institute legal proceedings at the MAP Fund's expense to collect MAP Fund contributions. We also may forgive, waive, settle, and compromise all claims by or against the MAP Fund. If we terminate the MAP Fund, we will refund to you your pro-rata portion of any amounts remaining in the MAP Fund, based on your contributions to the MAP Fund.

B. Required Local Expenditures. You must use your best efforts to promote and advertise the Business and participate in any local marketing and promotional programs we establish from time to time. In addition to the payment of the MAP Fee, you must spend the minimum amounts set forth in the Data Sheet on approved local marketing and promotion in the Territory each year ("Minimum Local Marketing Amounts"). Upon our request, you must provide us with itemized documentation and proof of such expenditures. If you fail to make the required expenditures, we have the right to collect the deficiency and spend it as provided below in this paragraph. We reserve the right to require you to use one or more designated vendors in connection

with your local marketing and promotional activities. In addition, we reserve the right to collect (on a monthly or quarterly basis, as we may from time to time designate) the Minimum Local Marketing Amounts and in return provide to you local promotional, marketing and advertising materials and related services to promote the Business in the Territory. Should this Agreement terminate prior to our providing such local promotional, marketing and advertising materials and related services in the Territory, we reserve the right to contribute the Minimum Local Marketing Amounts collected to the MAP Fund.

C. Approved Materials. You must use only such marketing materials (including any print, radio, television, electronic, on-line or other media forms that may become available in the future) as we furnish, approve in writing or make available, and the materials must be used only in the manner we prescribe and in compliance with all trademark usage and branding standards. Furthermore, any promotional activities you conduct for the Business are subject to our approval. You must submit all advertising and promotional materials to us for approval prior to your use. If we do not respond within 14 days of your submission, the materials will be deemed not approved. We will not unreasonably withhold approval of any materials or media and activities; provided that they are current, in good condition, in good taste and accurately depict the Marks. Notwithstanding our approval, it is solely your responsibility to conduct your promotional activities in accordance with all applicable laws.

D. Local Marketing Groups. We have the right to designate local advertising markets and advertising cooperatives and/or local marketing groups for such markets (collectively, each such cooperative or group, a "LMG"), and if designated, you must participate in the LMG and its programs in your designated local advertising market. If established, you must contribute to the LMG the amount we designate, but such contribution amount shall not exceed 3% of your Gross Sales. We may require that some or all of your LMG contribution be paid to us or our affiliate, and we reserve the right to use your LMG contribution on any promotional, marketing and advertising initiatives, including digital and other marketing and brand awareness programs. In addition, we may require that a portion of your LMG contribution be paid for use towards the Neighborly marketing and brand awareness initiatives, which may include service professional recruitment marketing. If established, each JUNK KING Business, including those operated by us or our affiliates within a designated local advertising area, will be a member of the LMG. You must obtain our written approval of all promotional and advertising materials, creative execution and media schedules prior to their implementation. Your contribution to the LMG will count towards the Minimum Local Marketing Amounts, but the Minimum Local Marketing Amounts do not represent a limit on your LMG contribution. We have the right to establish how the LMGs operate and we have the right to require LMGs to be formed, changed, dissolved or merged.

FEES, REPORTING AND AUDIT RIGHTS

8. You must pay the fees described below and comply with the following provisions:

A. Initial Franchise Fee. Upon signing of this Agreement, you must pay to us an initial franchise fee as set forth in the Data Sheet (the "Initial Franchise Fee"), which is earned upon receipt and is non-refundable.

B. License Fees. From and after the Effective Date, you must pay to us, monthly in the manner specified in Section 8.E, a fee (the "License Fee") in the amount equal to the greater of (i) the percentage of Gross Sales set forth on the Data Sheet or (ii) the Minimum License Fee set forth on the Data Sheet.

C. MAP Fees. From and after the Effective Date, you must pay to us each month, in the manner specified in Section 8.E, a MAP Fund contribution (the "MAP Fee") in the amount set forth in the Data Sheet.

D. Customer Care Center Fee. From and after the Effective Date, you must pay to pay to us, in the manner specified in Section 8.E, a monthly contribution to the Customer Care Center equal to the percentage of Gross Sales set forth on the Data Sheet (the "Customer Care Center Fee").

E. Manner of Payment; Electronic Transfer of Funds. All payments of the License Fees, MAP Fees and Customer Care Center Fees are due to us by the 10th day of each calendar month. Within four (4) days following the end of each calendar month, you must update all records and data on JunkWare and submit to us a monthly report of Gross Sales. If you fail to timely submit a report, we will enter in a zero report for that month and you will automatically be charged the minimum fee payment. You must sign an electronic ACH Form, attached as **Schedule B**, to authorize and direct your bank or financial institution to allow us or our affiliate to initiate a transfer of funds electronically directly to our or our affiliate's account and to charge to your account all amounts due to us or any affiliate. You must maintain a balance in your account sufficient to allow us and our affiliates to collect the amounts owed when due. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this Section.

F. Late Payments. A late payment fee of $10.00 per day (the "Late Payment Fee") plus interest at the highest applicable legal rate for open account business credit in the state of your domicile, not to exceed 12.0% per annum, will accrue on all late payments from the due date until all sums are paid. If a check is returned or an ACH draft is refused by your financial institution due to insufficient funds in your account, you must pay us an insufficient funds fee of $50. In addition, if you fail to timely provide any Gross Sales report to us, in addition to any other rights available to us, we may withdraw the applicable Minimum License Fee and the MAP Fee from your account, and once the applicable Gross Sales report becomes available to us, you will be required to immediately pay us any additional amounts owed as shown in the calculation of the License Fees and Customer Care Center Fees in such Gross Sales report. You acknowledge and agree that this Section 8.F does not constitute our agreement to accept payments or reports after they are due or a commitment by us to extend credit to you or to otherwise finance your operation of the Business. Further, you acknowledge and agree that your failure to pay all amounts and provide all reports when due will constitute grounds for termination of this Agreement, notwithstanding the provisions of this Section 8.F. You will not, on grounds of the alleged nonperformance by us of any of our obligations under this Agreement, withhold payment of any License Fees, MAP Fees or any other amounts due to us and you will not, on such grounds, discontinue providing services to Customers in accordance with this Agreement.

G. Application of Fees. Notwithstanding any designation by you, we have the right to apply any payments received from you to any past due indebtedness to us or any affiliate in such amounts and in such order as we determine.

H. Financial Planning and Management. You must compile and keep books and records that accurately reflect the operations and condition of your Business, including detailed daily sales, cost of sales, and other relevant records and information, maintained in an electronic media format and using the methods of bookkeeping and accounting as we periodically may prescribe. You must also retain check registers, purchase records, invoices, sales summaries and inventories, sales tax records and returns, state, federal, personal or other income tax records and

returns covering or related to the Business, payroll records, cash disbursement journals and general ledgers. You must submit to us such reports, statement of profit and loss, balance sheet, tax returns, books and records as we may require, including those identified in Section 8.I below, all on the forms and according to reporting formats, methodologies and time schedules that we establish from time to time. You must preserve the books, records and reports for the longer of (i) five years from creation or (ii) such period as required under applicable laws. You must allow us electronic and manual access to any and all records relating to your Business.

I. Reports. Simultaneously with each payment of License Fees, MAP Fees and Customer Care Center Fees hereunder, you must submit to us a report of the corresponding Gross Sales and gross receipts of the Business, and a computation of the corresponding License Fees and Customer Care Center Fees with respect to the preceding month. Gross Sales must be entered into the software (JunkWare) and reported for the month in which they are earned; you may not postpone the reporting of any Gross Sales for any reason. In addition, within 15 days after the end of each month, you must submit to us the following information for the preceding month: (i) copies of your most recent balance sheet and statement of profit and loss, including a summary of your costs for labor, rent and other material cost items; and (ii) if requested by us to verify your Gross Sales, all such books and records as we may require under our audit policies published from time to time. You also must, at your expense, submit to us within 90 days after the end of each fiscal year a detailed balance sheet, profit and loss statement and statement of cash flows for such fiscal year. All reports shall be provided in the form and content as we periodically prescribe. You must certify in writing all reports to be true and correct. You acknowledge and agree that we have the right to impose these requirements on you regardless of whether we impose the same requirement on our other franchisees. You further agree and acknowledge that, subject to compliance with applicable law, we may use any information, data or other materials related to your Business for any reason that we deem appropriate and you shall provide the same to us promptly upon our request. Without limiting the foregoing, we may disclose the Business' financial information and operating performance ratings, assessments or similar data to our other franchisees, our affiliates and their franchisees, and prospective franchisees through the use of newsletters, bulletins, award ceremonies, and otherwise as we deem necessary or advisable.

J. Audits. We or our authorized representative have the right, at all times (i) during the business day to enter the premises where the books and records of the Business are kept and to evaluate, copy and audit such books and records, including, but not limited to any and all financial statements, reports, state, federal, personal income tax records or other income tax records covering or related to the Business, sales tax records, payroll records, databases, and other related records (ii) to remotely access and evaluate, copy and audit your electronic records located on the Computer System, and (iii) to evaluate remotely or on the Business premises your compliance with your obligations regarding Customer Information. In addition, if, in our reasonable business judgment, we believe that you have failed to comply with your reporting and/or record keeping obligations hereunder, we have the right to also access and evaluate, copy and audit books and records related to any other business in which you have an ownership or management interest. We also have the right to request information from you and your suppliers, vendors, and Customers. You must fully cooperate with us in connection with our exercise of our audit rights. If you fail to timely make available to us requested documents in connection with an audit, we may charge you $500 per missing document (up to $2,500 per audit), and if we must reschedule an audit due to your failure to cooperate, you must reimburse us for the cost of the audit (including, without limitation, professional fees, travel, and room and board expenses directly related thereto, collectively "Audit Cost"). If any evaluation or audit reveals an understatement of 2% or more of your Gross Sales or you do not provide any requested information within 30 days from the date of our initial request,

you must pay for the Audit Cost, in addition to the amount owed (if any) plus interest and late fees as provided in Section 8.F. In addition to any other rights we may have in such an event, we have the right to conduct further periodic audits and evaluations of your books and records as we reasonably deem necessary and you must reimburse us for the Audit Cost of any such further audits and evaluations conducted within two years thereafter. Furthermore, if you intentionally understate or underreport Gross Sales at any time, or if a subsequent audit or evaluation conducted within the two-year period reveals any understatement of your Gross Sales of 2% or more, in addition to any other remedies provided for in this Agreement, at law or in equity, we have the right to terminate this Agreement immediately. To verify the information that you supply, we have the right to reconstruct your Gross Sales through any reasonable method of analyzing and reconstructing Gross Sales, and you agree to accept any such reconstruction of Gross Sales unless you provide evidence in a form satisfactory to us of your Gross Sales within a period of 14 days from the date of notice of understatement or variance. If you dispute any audit findings, you must do so in writing and in accordance with the Operations Manual within 30 days of the notice of understatement or variance, or you will waive the right to challenge the audit findings. For avoidance of doubt, no provision of this Section 8.J shall be deemed to supersede or waive the 10-day cure period for failure-to-pay defaults set forth in Section 12.B.1

YOUR OTHER OBLIGATIONS; NONCOMPETITION COVENANTS

9. You agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to (i) pay promptly when due all payments, obligations, assessments and taxes due and payable to us and our affiliates, vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your Business; (ii) promptly discharge and remove all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the Business; and (iii) timely pay all accounts and discharge other indebtedness of every kind incurred by you in the conduct of the Business. If you default in making any such payment, we are authorized, but not required, to pay and discharge the same on your behalf and you agree promptly to reimburse us on demand for any such payment as well as an administrative fee of the greater of $35 or 5% of the payment amount.

You also will pay all federal, state and local taxes, other than taxes as assessed on our income, that may be imposed on us as the result of our receipt or accrual of the Initial Franchise Fee, the License Fees, the MAP Fees, or other fees referenced in this Agreement, whether assessed against you through withholding or other means or whether paid by us directly. In either case, you shall pay us (and to the appropriate governmental authority) such additional amounts as are necessary to provide us, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that we would have received or accrued had such withholding or other payment, whether by you or by us, not been required.

B. Indemnification. You waive any and all Claims (as defined below) against us for damages to property or injuries to persons arising in any way out of this Agreement, your servicing of Customers under this Agreement or any other contracts, your actions or omissions, or the operation of your Business. Except to the extent otherwise provided in Section 3.D, you agree, at your sole expense, to defend, fully protect, indemnify and hold harmless, us, our affiliates, our parent companies, our sister companies and our owners, directors, officers, members, managers, employees, attorneys, successors and assigns (collectively, "Franchisor Parties"), as well as our customers and the owners of each and every property you service, from any and all Claims.

"Claims" as used herein means any and all claims, demands, damages, assessments, violations, interest, causes of action, lawsuits, liens, and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Business (regardless of cause or any concurrent, superseding or contributing fault, liability or negligence of us, our affiliates, our parent companies, and our customers and the owners of any property you service), your actions or omissions, or any breach by you or your failure to comply with any of the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you agree to reimburse us for our costs and attorneys' fees immediately upon our request.

It is the intention of the parties to this Agreement that we shall not be deemed a joint employer with you for any reason; however, you will, at your sole expense, defend, fully protect, indemnify and hold harmless, Franchisor Parties, from any and all Claims arising in any manner, directly or indirectly, out of or in connection with or incidental to the actions or omissions of your employees or independent contractors or allegations that we are the joint employer of your employees.

C. Insurance. Before you begin operating your Business you must purchase, and maintain at all times during the term of this Agreement, at your sole cost, insurance coverage, from a responsible carrier, with an A.M. Best rating of A-VIII or better, with the coverage amounts, types and other features as we from time to time specify, using the insurance industry form(s) acceptable to us, and such other insurance coverage as required by law and any other agreement related to the Business. We reserve the right to designate a primary or single source for all or any of the insurance coverage for the Business, and we or our affiliates may be that primary or single source. Any person or entity with an insurable interest that we designate (each, an "Additional Insured") must be named an additional insured on all required liability policies. Each insurance policy must contain a waiver of subrogation in favor of the Additional Insureds. Your insurance must apply as primary and non-contributory. Currently, our minimum insurance requirements include (i) commercial general liability insurance, with minimum liability coverage of $1,000,000 per occurrence (including Products/Completed Operations and Personal Injury and Advertising Injury) and $2,000,000 in the aggregate; (ii) auto liability coverage, combined single limit in the amount we specify, up to $2,000,000 but no less than $1,000,000, on each owned, non-owned or hired vehicle used in connection with the Business; (iii) workers' compensation coverage regardless of whether required by state law, but with minimum coverage as required by law (if applicable); and (iv) $500,000 per claim and in the aggregate cyber-liability insurance for financial losses arising from unauthorized access, loss or corruption of data, including but not limited to privacy and data security breaches, misdirected funds, virus transmission, denial of service and loss of income from network security failures; and (v) such other insurance as from time to time required by us, under applicable law and under other agreements applicable to your Business. With respect to Key Accounts, if the insurance amount required for any Key Account or for Key Account work in general exceeds the amount specified as the amount required by us for any type of insurance, that higher amount required for the Key Account work will apply. Additional insurance requirements are set forth in the Operations Manual. We may develop an insurance program and require you to participate in it.

The commercial general liability policy must name Franchisor and any and all parents, subsidiaries, directors, officers, employees, and agents as their interest may appear as Additional Insureds. The policy must also include a waiver of subrogation against all parties named as Additional Insureds. The auto liability policy must name Franchisor and any and all parents, subsidiaries, directors, officers, employees, and agents as their interest may appear as Additional

Insureds. The policy must also include a waiver of subrogation against all parties named as Additional Insureds. The workers' compensation policy must include a waiver of subrogation against Franchisor and any and all parents, affiliates, subsidiaries, directors, officers, employees, and agents.

Additional Insured status for Franchisor and any and all parents, subsidiaries, directors, officers, agents, employees or any other party required to be named as additional insureds under this Agreement will extend to the full limits of liability maintained by you even if those limits of liability are in excess of those required in this Agreement. Your insurance will be primary and any insurance carried by Franchisor is strictly excess and secondary and will not contribute with your insurance. The requirements of this Agreement as to insurance limits and acceptability of insurers and insurance to be maintained by you are not intended to and will not in any manner limit or qualify the liabilities and obligations assumed by you under this Agreement.

You must deliver to us at least 5 days prior to commencement and thereafter annually or at our request a proper certificate of insurance, insurance policy endorsements and other evidence of compliance - showing the existence of the insurance coverage and your compliance with this Section. If you change your insurance provider, you must immediately deliver the proper certificate of insurance to us. We also may request copies of all insurance policies. Any review we conduct of your insurance coverage does not limit your obligation to comply with this Section. Your certificate of insurance will provide proof of the following: (i) Franchisor and all other affiliated parties are included as an Additional Insured where required; (ii) waiver of subrogation included in favor of Franchisor and all other affiliated parties; (iii) your insurance is primary, and all insurance maintained by Franchisor is excess and secondary and shall not contribute with your insurance; and (iv) no insurance may be cancelled or substantially changed without thirty (30) days' prior written notice by certified mail to Franchisor. We may modify the required minimum limits and types of coverage, by written notice to you. Upon such notification, you must immediately implement the modification of the policy, and provide evidence thereof, in accordance with our request. You may satisfy the insurance coverage limits through an umbrella policy that meets all the requirements of this Section. We have the right to terminate this Agreement for cause if you fail to comply with this Section.

You acknowledge that these minimum insurance requirements do not constitute advice or a representation by us that such coverages are necessary or adequate to protect you from losses in connection with the Business. Nothing in this Agreement restricts you from obtaining insurance with higher policy limits and/or additional coverage.

D. Noncompetition Covenants. You agree that you will receive valuable training and Confidential Information that you otherwise would not have received or had access to but for the rights licensed to you under this Agreement. You therefore agree to the following noncompetition covenants and agree that the following noncompetition covenants are reasonable and necessary to protect the System's legitimate business interests, including its Confidential Information, Intellectual Property, and customer goodwill:

1. Unless otherwise specified, the term "you" as used in this Section 9.D means and includes, collectively and individually, (a) if you are an entity, the entity, all guarantors and all shareholders, members, partners, as the case may be, and other holders of any ownership interest in the entity (collectively, "Owners"), as well as any spouse, children, parents and siblings of any guarantor and Owner, or (b) if you are an individual, the individual and the individual's spouse, children, parents and siblings. We may require

you to obtain from your guarantors and Owners, and/or from your spouse, children, parents and siblings or any spouse, children, parents, and siblings of any Owner or guarantor, as applicable, a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this Section 9.D.

2. You promise that during the term of this Agreement, and during any Interim Period (if applicable), you will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any Competitive Business (as defined below).

3. You promise that you will not, for a period of two years after the expiration or termination of this Agreement, or after the expiration or termination of any Interim Period (as applicable), regardless of the cause of termination, or within two years of the sale or Transfer of the Business or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, advertise, promote in any media including social media platforms, or consult with or have any interest in a Competitive Business (as defined below) that is located:

a. In the Territory;

b. Within a 25-mile radius of the outer boundary of the Territory; or

c. Inside the territory of another JUNK KING Business, whether franchised or owned by us or our affiliates.

For purposes of this Agreement, a "Competitive Business" is any business that offers or sells any product or service or component thereof that (i) composes a part of our System, (ii) is the same as or similar to any product or service then-offered by our franchisees or (iii) otherwise competes directly or indirectly with our System.

4. You agree that the length of time in paragraph 3 above will be tolled for any period during which you are in breach of the non-compete covenants or any other period during which we seek to enforce this Agreement.

5. In addition, you agree that during the term of this Agreement and for one year thereafter, you will not, without our prior written consent, directly or indirectly, for yourself or on behalf of any other person divert, or attempt to divert, any business or customer of the Business or any other JUNK KING Business away from the System.

6. The parties agree that each of the foregoing covenants in this Section 9.D will be construed as independent of any other covenant or provision of this Agreement. To the extent anyone successfully contests the validity or enforceability of any part of this Section 9.D in its present form predicated upon the area of coverage, this provision will not be deemed invalid or unenforceable, but will instead be deemed modified, so as to be valid and enforceable, to provide coverage for the maximum scope that any court of competent jurisdiction or arbitrator will deem reasonable and necessary to protect our legitimate interests.

TRANSFER OF FRANCHISE

10. You agree that the following provisions govern any Transfer or proposed Transfer:

A. Transfers. We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the Business. Consequently, neither your interest in this Agreement nor in the Business may be directly or indirectly Transferred to or assumed by any other person or entity (at times referred to as the "Assignee"), in whole or in part, unless (i) you have first tendered to us the right of first refusal to acquire this Agreement in accordance with Section 10.F and we do not exercise such right; (ii) our prior written consent is obtained; (iii) the Transfer fee provided for in Section 10.C is paid; and (iv) the Transfer conditions described in Section 10.D are satisfied. Any direct or indirect sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the Business to a person or entity who shares in the losses or profits of the Business (including merger, combination, or reorganization or as a result of death, disability, divorce, insolvency, or bankruptcy) in a manner other than as an employee will be considered a "Transfer" for purposes of this Agreement. A Transfer also includes the following which triggers the Transfer conditions set forth in this Section 10:

1. For purposes of this Section 10.A, a transfer, pledge or seizure, or change in the control of any 20% direct or indirect ownership interest in you or in any Principal Owner, whether accomplished in a single transaction or a series of related or unrelated transactions; or

2. Any change in the general partner of a franchisee that is a general, limited or other partnership entity.

You may not place in any communication media or any form of advertising, any information relating to the sale of the Business or the rights under this Agreement, without our prior written consent.

B. Consent to Transfer. We will not unreasonably withhold our consent to a Transfer; provided we determine that all of the conditions described in this Section 10 have been satisfied. Application for our consent to a Transfer and tender of the right of first refusal provided for in Section 10.F must be made by submission on our form of application for consent to Transfer, which must be accompanied by the documents (including a copy of the proposed purchase or other Transfer agreement) and other required information. The application must indicate whether you or an owner will retain an interest in the property to be Transferred. No interest may be retained or created without our prior written consent and only upon conditions acceptable to us. Any agreement used in connection with a Transfer shall be subject to our prior written approval, which approval will not be withheld unreasonably. You immediately must notify us of any proposed Transfer and must submit promptly to us the application for consent to Transfer. Any attempted Transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void and will provide us with the right to elect either to default and terminate this Agreement or to collect from you and the guarantors a Transfer fee equal to two times the Transfer fee provided for in Section 10.C as damages.

C. Transfer Fee. You must pay to us a Transfer fee in an amount equal to the greater of (a) $7,500; or (b) 5% of the sales price. We will reduce the Transfer fee to $500 for a Transfer to an immediate family member (i.e., a spouse or a child; for avoidance of doubt, a sibling is not considered an immediate family member for this purpose). The Transfer fee is nonrefundable. You will not be required to pay a Transfer fee if you are an individual and wish to Transfer this Agreement to a newly formed legal entity wholly owned by you and established solely for purposes of the convenience of ownership and the operation of the Business; provided that you must become a guarantor of the Business as required under Section 6.A.

D. Conditions of Transfer. We condition our consent to any proposed Transfer, whether to an individual, a corporation, a partnership or any other entity, upon the following:

1. Assignee Requirements. The Assignee must meet all of our then-current requirements for our JUNK KING franchise program we are offering at the time of the proposed Transfer, sign our then-current form of franchise agreement (provided that the no initial franchise fee will be due but Assignee will pay a $3,000 training fee for which we will provide our initial training program), and its owners must become guarantors of the Business as required under Section 6.A.

2. Payment of Amounts Owed. All amounts owed by you to us, or any of our affiliates or your suppliers, or upon which we or our affiliates have any contingent liability, must be paid in full.

3. Reports. You must have provided all required reports to us.

4. Guarantee. In the case of an installment sale for which we have consented to you or any owner retaining an interest or other financial interest in this Agreement or the Business, you or such owner, and the guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

5. Assumption of Obligations. The Assignee must assume and agree to be bound by all of your Customer obligations, including all warranty work and service plans obligations.

6. General Release. You and each guarantor must sign a general release of all claims arising out of or relating to this Agreement, your Business or the parties' business relationship, in the form we designate, releasing us and our affiliates.

7. Training. The assignee must, at your or assignee's expense, comply with our training requirements.

8. Financial Reports and Data. We have the right to require you to prepare and furnish to assignee and/or us such financial reports and other data relating to the Business and its operations as we deem reasonably necessary or appropriate for assignee and/or us to evaluate the Business and the proposed Transfer. You agree that we have the right to confer with proposed assignees and furnish them with information concerning the Business and proposed Transfer without being held liable to you, except for intentional misstatements made to an assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the Business and proposed

Transfer and must not be construed in any manner or form whatsoever as earnings claims or claims of success or failure.

9. Other Conditions. You must have complied with any other conditions that we reasonably require from time to time as part of our Transfer policies. You acknowledge and agree that following any Transfer hereunder, you and your owners will continue to be subject to the noncompetition covenant under Section 9.D.3.

E. Involuntary Transfers.

1. Death, Disability or Incapacity. You will promptly notify us in the event of a death, disability or incapacity of Franchisee (or, if Franchisee is a legal entity, of Franchisee's Principal Owner). In such an event if the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as the Franchisee or the Principal Owner of the Franchisee entity, such person or entity must tender the right of first refusal provided for in Section 10.F, apply for our consent under Section 10.B, pay the applicable Transfer fee under Section 10.C, and satisfy the Transfer conditions under Section 10.D, as in any other case of a proposed Transfer, all within 120 days of the death or event of disability or incapacity. During any transition period to an heir or successor-in-interest, the Business still must be operated in accordance with the terms and conditions of this Agreement. If the assignee of the decedent, disabled, or incapacitated person is the spouse or child of such person, no Transfer fee will be payable to us and we will not have a right of first refusal as set forth in Section 10.F.

2. Insolvency or Bankruptcy. In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or the business conducted hereunder, such person first must notify us, tender the right of first refusal provided for in Section 10.F, and if we do not exercise such right, must apply for and obtain our consent to the Transfer, pay the Transfer fee provided for in the Section 10.C, and satisfy the Transfer conditions described in Section 10.D. In addition, you or the Assignee must pay the attorneys' fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you.

3. Divorce. You will promptly notify us of any divorce proceedings that may result in a Transfer and tender the right of first refusal provided for in Section 10.F. If we do not exercise such right, you must apply for and obtain our consent to the Transfer, pay the Transfer fee provided for in Section 10.C, and satisfy the Transfer conditions described in Section 10.D.

F. Right of First Refusal. If you propose to Transfer this Agreement or your interest herein or in the Business, in whole or in part, to any third party, as contemplated by Section 10.A, you first must deliver a statement to us offering to sell to us your interest in this Agreement and the land, building, equipment, furniture and fixtures and any other assets or leasehold interests used in the operation of the Business (subject to this Section 10). If the proposed Transfer involves an offer from a third party, then you must obtain from the third-party offeror and deliver to us a statement, in writing, signed by the offeror and by you, of the binding terms of the offer.

If the Transfer does not involve an offer from a third party, then the purchase price for our purchase of assets described above will be established by a qualified appraiser selected by the parties.

The price determined by the appraiser(s) will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of the Business and the appraiser will designate a price for each category of asset (e.g., land, building, equipment, fixtures, etc.), but shall not include the value of any goodwill of the Business, as the goodwill of the Business is attributable to the Marks and the System. If the parties cannot agree upon the selection of such an appraiser, a Judge of the United States District Court for the District in which the Franchise Location is located will appoint one upon petition of either party. You or your legal representative must deliver to us a statement in writing incorporating the appraiser's report and all other information we have requested. We and you will each pay one-half of the appraiser's fees and expenses.

We then have 10 days from our receipt of the statement setting forth the third-party offer or the appraiser's report, as applicable (and all other information requested by us) to accept the offer by delivering written notice of acceptance to you. We will have an additional 45 days to complete the purchase if we elect to exercise our right of first refusal. Our acceptance of any right of first refusal will be on the same price and terms set forth in the statement delivered to us; provided, however (and regardless of whether the following are inconsistent with the price and terms set forth in the statement) (1) we have the right to substitute equivalent cash for any noncash consideration included in the offer, (2) we will prepare the transaction documents for the Transfer, which will be on terms customary for this type of transaction (including representations and warranties, covenants, conditions, and indemnification), and (3) our purchase may be limited to any assets related to the Business.

If we fail to accept the offer within the 10-day period, you will be free for 60 days after such period to effect the disposition described in the statement delivered to us; provided such Transfer is in accordance with this Section 10, including obtaining our consent under Section 10.B. You may effect no other sale or assignment of you, this Agreement or the Business without first offering the same to us in accordance with this Section 10.F.

G. Transfer by Us. We have the right to sell or assign, in whole or in part, our interest in this Agreement without prior notice to you and without your consent.

DISPUTE RESOLUTION

11. The following provisions apply with respect to dispute resolution:

A. Mediation. Before any party may bring an action in court against the other, or commence an arbitration proceeding (except as noted in Section 11.B below), the parties must first meet to mediate the dispute. The mediation will be held in McLennan County, Texas. Any such mediation shall be non-binding and shall be conducted by the American Arbitration Association (the "AAA") in accordance with its then-current rules for mediation of commercial disputes unless the parties agree otherwise in writing. The mediator will be appointed in accordance with the rules and regulations of the AAA unless the parties agree on a mediator in writing within 10 days after either party gives written notice of mediation. The mediation hearing will be held within 20 days after the mediator has been appointed. Each party will bear its own costs and expenses for the mediation and will be responsible to pay 50% of the mediator's costs and expenses.

B. Exceptions to Mediation. Notwithstanding Section 11.A or any other provision of this Agreement, the parties agree that the following claims will not be subject to mediation and may be brought in any court of competent jurisdiction, subject to Sections 14.G.1 and 14.H:

1. any action for temporary, preliminary or permanent injunctive relief, ex parte seizure, specific performance, writ of attachment, or other equitable relief necessary to enjoin any harm or threat of harm to such party's tangible or intangible property, including trademarks, service marks and other Intellectual Property, confidential and/or trade secret information, or noncompetition covenants. You specifically acknowledge that your breach or threatened breach of any of your obligations under this Agreement, including but not limited to Sections 3 (Trademark Standards and Requirements), 5.C (Authorized Services and Products), 5.E (Computer System), 5.F. (Customer Information), 5.H (Confidential Information), 5.K (Participation in Internet Websites), 9.D (Noncompetition Covenants), 10.A (Transfers), or 13.A (Reversion of Rights; Discontinuation of Trademark Use), will cause irreparable harm to our tangible and/or intangible property and goodwill. You understand that irreparable harm is an injury for which monetary damages are not an adequate remedy. Therefore, upon any such breach or threatened breach by you, in addition to any other rights or remedies that may be available to us at law, equity or otherwise, you acknowledge that we will be entitled to equitable relief, including an injunction, restraining order or specific performance, without any requirement to prove irreparable harm. In addition, you hereby waive any right to request that a bond be issued as security (except for a nominal bond not to exceed $100);

2. any action in ejectment or for possession of any interest in real or personal property; and

3. any action related solely to the collection of moneys owed to us or our affiliates under this Agreement (including, without limitation, License Fees, MAP Fees, and Minimum License Fees), or any other agreement related to the franchise granted under this Agreement, including, without limitation, any promissory note or a guarantee executed hereunder. "Moneys owed" also includes attorneys' fees incurred in the collection of moneys owed, including through the judicial process.

C. Litigation. Except as provided in Section 11.D., any dispute between you and us or any of our or your affiliates, including without limitation, your owners and guarantors, arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or your Business (collectively, "Dispute") not resolved through mediation under Section 11.A must be submitted to litigation pursuant to Section 14.H.

D. Arbitration. If a court of competent jurisdiction determines that Section 14.I (Jury Waiver) and/or Section 14.J (No Class or Consolidated Actions) is invalid or unenforceable with respect to the Dispute, then and only then, notwithstanding any other provision of this Agreement to the contrary, the Dispute must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the AAA pursuant to its then-current commercial arbitration rules and procedures. The arbitration must take place in McLennan County, Texas. The arbitration must be conducted by a single arbitrator. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least five years of significant experience in franchise law. The court shall decide the gateway issue of arbitrability. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. If this limitation on joinder of or class action certification of claims within arbitration is held to be unenforceable, then this entire commitment to arbitrate shall become null and void and the parties shall submit all claims to the jurisdiction of the courts. A judgment may be entered upon the

arbitration award in any court of competent jurisdiction. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) except as provided in Section 14.K, assess punitive or exemplary damages; or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. Each party will bear its own costs and expenses for the arbitration and will be responsible to pay 50% of the arbitrator's fees and costs (including arbitrator's and AAA's fees and costs); provided that the prevailing party will be entitled to reimbursement of its fees and costs under Section 11.E.

E. Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, the parties' relationship or the Business will be entitled to recover its reasonable attorneys' fees and costs (including arbitrator's and AAA's fees and costs).

DEFAULT AND TERMINATION

12. The following provisions apply with respect to default and termination:

A. Defaults. You are in default if we determine that you or any guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing includes (i) making any false report to us; (ii) intentionally understating or underreporting or failing to pay when due any amounts required to be paid to us or any of our affiliates; (iii) conviction of you or a guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of any of the Marks or the Business, or any felony; (iv) filing of tax or other liens that may affect this Agreement; or (v) the filing of voluntary or involuntary bankruptcy by or against you or any guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.

B. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

1. Termination After Opportunity to Cure. Except as otherwise provided in this Section 12.B: (i) you will have 30 days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due or submit required reports, in which case you will have 10 days to cure those defaults; (ii) your failure to cure a default within the 30-day or 10-day period will provide us with good cause to terminate this Agreement; (iii) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (iv) the termination will be effective immediately upon our issuance of the written notice of termination.

2. Immediate Termination With No Opportunity to Cure. If any of the following defaults occur, you will have no right to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: (i) any material misrepresentation or omission in your franchise application or other reports or information provided to us; (ii) your voluntary abandonment of this Agreement (which includes your failure to operate the Business for seven or more consecutive days); (iii) the

closing of the Business by any state or local authorities for public safety reasons; (iv) your registration of any domain name or social media account containing our Marks; (v) any unauthorized use of the Confidential Information; (vi) insolvency of you or guarantor, you or a guarantor making an assignment or entering into any similar arrangement for the benefit of creditors; (vii) conviction of you or any guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of the Marks or the Business, or any felony; (viii) intentionally understating or underreporting Gross Sales, License Fees or Customer Care Center Fees or any understatement or 2% variance on a subsequent audit within a 2-year period; (ix) a violation of the non-competition covenant under Section 9.D and/or Schedule F; (x) any actual or attempted unauthorized Transfer in violation of Section 10; (xi) a final judgment against you in our or our affiliates' favor is issued by a court or an arbitrator of competent jurisdiction; or (xii) any default by you that is the second default of any type within any 12-month consecutive period even if the default(s) were cured.

3. Immediate Termination After No More than 24 Hours to Cure. If a default under this Agreement occurs that materially impairs the goodwill associated with any of the Marks, violates any health or safety law or regulation, violates any System standard as to cleanliness, health and safety, or if the operation of your Business presents a health or safety hazard to the public or to Customers or employees: (i) you will have no more than 24 hours after we provide written notice of the default to cure the default; and (ii) if the default is not timely cured, this Agreement will terminate effective immediately on our issuance of written notice of termination.

4. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

C. Termination by You. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement; provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within 30 days after our receipt of the written notice. If we fail to cure the breach, the termination will be effective 60 days after our receipt of your written notice of breach. Your termination of this Agreement under this Section will not release or modify your post-term obligations under Section 13 of this Agreement.

POST-TERM OBLIGATIONS

13. Upon the expiration or termination of this Agreement, or the expiration or termination of any Interim Period:

A. Reversion of Rights; Discontinuation of Trademark Use and Use of Intellectual Property. All of your rights to the use of the Marks and Intellectual Property and all other rights and licenses granted herein and the right and license to conduct business under the Marks will revert to us immediately upon expiration or termination of this Agreement without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. Upon our demand, you must assign to us or our assignee your remaining interest in any lease then in effect for the Business (although we will not assume any past due obligations).

You must immediately comply with the post-term noncompetition obligations under Section 9.D, cease all use and display of the Marks, all other Intellectual Property associated with the System and of any proprietary material (including the Operations Manual) and of all or any portion of promotional materials furnished or approved by us, assign and transfer all right, title and interest in the telephone numbers, domain names, and social media or digital marketing accounts used at any time for the Business and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. You are solely responsible for removing and ceasing use of the Marks on any social media or digital marketing accounts that you setup for the Business and providing us with written confirmation of the same. You must immediately pay all sums due to us, our affiliates or designees and to third parties, such debts being accelerated automatically without further notice to you. You must immediately deliver to us, at your expense, all copies of the Operations Manual, Customer lists and ongoing Customer contracts then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of Section 5.H. You must promptly, at your expense, remove or obliterate all JUNK KING Business signage, displays or other materials in your possession that bear any of the Marks or names or material confusingly similar to the Marks, including all such signage and displays on any vehicles, and so alter the appearance of the Business premises as to differentiate the Business unmistakably from duly licensed JUNK KING Businesses identified by the Marks. You must cease any and all advertising and use of any identifying materials generated during the term of the franchise, including, but not limited to, terminating all business listings in electronic and print format, cancelation of all websites, domain names, social media accounts, internet keywords, and telephone numbers (if not assigned to us) used at any time in connection with the Business. You must provide sufficient proof to Franchisor that you have complied with the post-termination obligations. If you fail to immediately de-identify your Business, you must pay all expenses we incur to de-identify your Business.

Upon expiration or termination of this Agreement (or the expiration or termination of any Interim Period), any continued use of the Marks by you or the Business or use of any other Intellectual Property associated with the System: (i) will constitute willful and knowing infringement, dilution of our trademark rights and unfair competition; (ii) will constitute the false designation of origin, source, or sponsorship and false or misleading descriptions and representations in violation of Section 43 of the Lanham Act, 15 U.S.C. § 1125(a), and (iii) may constitute trafficking in a counterfeit mark, among other causes of action.

In the event of expiration or termination of this Agreement (or the expiration or termination of any Interim Period), you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement, including your indemnification obligations under Section 9.B.

B. Claims. You and your owners and guarantors may not assert any claim or cause of action against us or our affiliates arising out of or relating to this Agreement or your Business after the shortest period of (i) the applicable statute of limitations, (ii) two years and one day following the effective date of expiration or earlier termination of this Agreement or (iii) two years and one day from the accrual of any such claim or cause of action; provided that where the two-year-and-one-day limitation of time in clause (ii) or clause (iii) is prohibited or invalid by or under any applicable law, then and in that event only, no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

GENERAL PROVISIONS

14. The parties agree to the following provisions:

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each party that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each party agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration/Amendments. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed a bar or an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify the Operations Manual and/or standards and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us. This Agreement together with the addenda and appendices hereto constitutes the entire agreement between the parties concerning the franchise for the Business and supersedes any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Disclosure Document we furnished to you. You must pay us our then-current processing fee (currently $300) if we make any modifications to this Agreement upon your request.

C. Notices. Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally, in electronic form via email to an authorized email address or deposited in the United States mail, service or postage prepaid, and if such notice is a notice of default or of termination, by a reputable overnight service, and addressed as follows:

1. If intended for us, addressed to Junk King SPV LLC, 1010 North University Parks Drive, Waco, TX 76707: Attn: President with a copy to the General Counsel at 1010 North University Parks Drive, Waco, Texas 76707;

2. If intended for you, addressed to you at the address set forth on the Data Sheet; or,

in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section.

D. Authority. Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by our President or one of our authorized Vice Presidents or other authorized officer.

E. References. If the franchisee is two or more individuals, the individuals are jointly and severally liable hereunder, and references to you in this Agreement include all of the individuals. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement.

F. Successors/Assigns. Subject to the terms of Section 10 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and permitted assigns of the parties.

G. Interpretation of Rights and Obligations. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law and Waiver. The parties agree that the execution of this Agreement and the acceptance of its terms occurred in the state of Texas. The parties further agree that the performance of material obligations arising under the Agreement, including but not limited to, your payment of monies due hereunder and the satisfaction of certain of our training requirements, shall occur in the state of Texas. Accordingly, subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Section 11, this Agreement, the parties' rights under this Agreement, and the relationship between the parties under this Agreement are governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state of Texas (excluding any conflicts of laws principles).

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise "Reasonable Business Judgment" (as defined below) in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of "Reasonable Business Judgment," even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Marks, improving customer service and satisfaction, improving product and service quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

H. Venue. Any dispute between you and us or any of our or your affiliates, including without limitation, your owners and guarantors, arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or your Business, including disputes not resolved through mediation, must be brought in the state or federal district court located in McLennan County, Texas. Both parties hereto irrevocably submit themselves to, and consent to, the jurisdiction of said courts and specifically waive any objection to the jurisdiction and venue of such courts. The parties specifically waive the right to remove any action brought in the state court

of McLennan County, Texas to a federal district court. The provisions of this Section will survive the termination of this Agreement. The parties are aware of and acknowledge the business purposes and needs underlying the language of this Section, and with a complete understanding thereof, agree to be bound in the manner set forth.

I. Jury Waiver. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement and claims arising out of the parties' relationship.

J. No Class or Consolidated Actions. ALL CLAIMS, CONTROVERSIES AND DISPUTES MAY ONLY BE BROUGHT BY THE FRANCHISEE ON AN INDIVIDUAL BASIS AND MAY NOT BE COMBINED OR CONSOLIDATED WITH ANY CLAIM, CONTROVERSY OR DISPUTE FOR OR ON BEHALF OF ANY OTHER FRANCHISEE OR BE PURSUED AS PART OF A CLASS ACTION.

K. Waiver of Punitive and Consequential Damages. Except with respect to indemnification obligations hereunder with respect to third-party claims and except for damages under the Lanham Act, you and us and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any consequential, indirect, special, punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained. Notwithstanding anything herein to the contrary, each party waives, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other.

L. WAIVER OF CONSUMER RIGHTS. YOU WAIVE ANY RIGHTS YOU MAY HAVE UNDER THE TEXAS DECEPTIVE TRADE PRACTICES CONSUMER PROTECTION ACT, SECTION 17.41, ET SEQ., BUSINESS AND COMMERCE CODE, AND UNDER ANY OTHER SIMILAR LAW OF TEXAS OR ANY OTHER JURISDICTION THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER AN ADEQUATE OPPORTUNITY TO REVIEW THIS PROVISION INCLUDING THE OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF YOUR OWN SELECTION, YOU VOLUNTARILY CONSENT TO THIS WAIVER.

M. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

N. Construction. The parties mutually agree that any ambiguities in this Agreement shall not be construed or interpreted more strictly against the drafting party.

O. Force Majeure. A party's failure of performance of this Agreement according to its terms will not be deemed a breach of this Agreement to the extent such failure was caused by events beyond the party's control and which could not be avoided by the exercise of due care, including, but not limited to, terrorism, strikes (except those caused by employees or agents), war, riots, civil disorder, and acts of government except as may be specifically provided for elsewhere in this Agreement. Nothing in this provision shall excuse a party from any obligations, or deprive

any party of rights, that survive termination of this Agreement, including but not limited to those obligations and rights set forth in Sections 9.B and 9.D.

P. Adaptations and Variances. You acknowledge that complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the standards, specifications, and requirements for any franchised business based on conditions we deem important to the operation of such business and/or the System, as more particularly set forth in the Operations Manual. We are not required to grant you a like or other variation. You acknowledge that the obligations and rights of the parties to other agreements may differ materially from your rights and obligations under this Agreement.

Q. Notice of Potential Profit. You acknowledge that we and/or our affiliates may from time to time make a profit on our sales of goods or services to you for use in your Business. Further, we and/or our affiliates may from time to time receive rebates and/or other consideration from suppliers and/or manufacturers in respect of sales of goods or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates are entitled to said rebates, profits and/or consideration and we may use same as we deem appropriate.

R. Anti-Terrorism Provision. You and each of your Owners represent and warrant to us that: (i) neither you nor any Owner is named, either directly or by an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control currently located at www.treas.gov/offices/ enforcement/ofac/; (ii) you and each Owner will take no action that would constitute a violation of any applicable laws against corrupt business practices, against money laundering and against facilitating or supporting persons or entities who conspire to commit acts of terror against any person or entity, including as prohibited by the U.S. Patriot Act (currently located at www.epic.org/privacy/ terrorism/hr3162.html), U.S. Executive Order 13244 (currently located at www.treas.gov/offices/enforcement/ofac/sanctions/terrorism.html) or any similar laws; and (iii) you and each Owner shall immediately notify us in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

S. Franchisor's Affiliates. You agree that except for any affiliate that guarantees our performance hereunder pursuant to a guarantee included in our Franchise Disclosure Document, no other past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of Junk King SPV LLC will have any liability for: (i) any obligations or liabilities of Junk King SPV LLC relating to or arising from this Agreement; (ii) any claim against Junk King SPV LLC based on, in respect of, or by reason of the relationship between you and Junk King SPV LLC; or (iii) any claim against Junk King SPV LLC based on any alleged unlawful act or omission of Junk King SPV LLC.

EACH PERSON SIGNING THIS AGREEMENT REPRESENTS AND WARRANTS THAT HE OR SHE IS AUTHORIZED TO BIND THE RESPECTIVE PARTY TO THIS AGREEMENT. THIS AGREEMENT IS NOT BINDING OR ENFORCEABLE UNTIL WE SIGN IT.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement as of the dates written below.

FRANCHISEE:

_____
_____, individually

_____
Date

FRANCHISOR:

JUNK KING SPV LLC
A Delaware Limited Liability Company

BY: _____
Paul Tis, President

_____
Date

Schedule A to the Franchise Agreement

Data Sheet

1. **Franchisee:** _____

_____

_____

_____

Email: _____

Telephone: _____

Cell Phone: _____

2. **Owners.** You represent and warrant to us that the following persons are the only Owners of Franchisee:

Name	Home Address	Percentage of Ownership	Principal Owner (Y/N)

The foregoing Principal Owners will be devoting their full time to the Business with _____ being identified as the Managing Principal Owner. The Managing Principal Owner is a Principal Owner for all purposes under this Agreement, except that the Managing Principal Owner shall have primary responsibility for the management of the Business and shall have the authority to make all decisions on behalf of the Franchisee and the Managing Principal Owner's decisions will bind the Franchisee.

Within 10 days from the date of any and every change in the identity and/or ownership holdings of any Owner of Franchisee (any such change being subject to the limitations and requirements of this Agreement, including Section 10) or a change in the identity of the Managing Principal Owner you must update this Data Sheet accordingly and provide us a copy of the updated Data Sheet.

3. **Territory.**

_____

_____

Total population in the Territory: _____

4. **Initial Franchise Fee:** $_____[1]

Roll-In Discount: The above listed Initial Franchise Fee is determined using the following discount schedule, based on the annual gross sales which Franchisee has attained in the Existing Business and has hereby rolled into the Business (pursuant to the Roll-In Addendum attached hereto as Schedule H), up to a maximum discount of fifty percent (50%).

Annual Gross Sales of Existing Business	Discount Percentage
$150,000 - $249,999	10%
$250,000 - $349,999	15%
$350,000 - $449,999	20%
$450,000 - $549,999	25%
$550,000 - $649,999	30%
$650,000 - $749,999	35%
$750,000 - $849,999	40%
$850,000 - $949,999	45%
$950,000 and above	50%

5. **License Fee:** as applicable: (a) the percentage of monthly Gross Sales set forth in the table below; or (b) the greater of (i) the percentage of monthly Gross Sales set forth in the table below or (ii) $2,000 per month ("**Minimum License Fee**").

License Fees			
Type Fee	**Months 1-18**	**Months 19-24**	**Month 25 - End**
Standard	8%	Greater of 8% or Minimum License Fee	Greater of 8% or Minimum License Fee
Small Roll-In	Greater of 4% or Minimum License Fee	Greater of 7% or Minimum License Fee	Greater of 7% or Minimum License Fee
Medium Roll-In	Greater of 4% or Minimum License Fee	Greater of 6% or Minimum License Fee	Greater of 6% or Minimum License Fee
Large Roll-In	Greater of 4% or Minimum License Fee	Greater of 4% or Minimum License Fee	Greater of 5% or Minimum License Fee

For avoidance of doubt, all Gross Sales generated by the Business in servicing customers in TAFS or pursuant to the Preferred Lead Program or any Key Accounts program shall be included in the Gross Sales of the Business for purposes of calculation of the License Fees, Customer Care Center Fees and any other fees or amounts that are calculated as a percentage of Gross Sales.

[1] Initial Franchise Fee equal to $0.11 (eleven cents) times the number of persons living in your Territory.

6. **MAP Fee:** the greater of (a) a percentage of monthly Gross Sales set forth in the table below or (b) Minimum MAP Fee (if applicable). Minimum MAP Fee is $625 per month for the first 18 months following the Effective Date and $845 per month for the remainder of the term of the Franchise Agreement. (The Minimum MAP Fee is subject to an increase by up to 30% annually.) Please note that there is no Minimum MAP Fee for the first 18 months for the Standard business.

MAP Fees				
Type Fee	**Months 1-18**	**Months 19-24**	**Months 25-36**	**Month 37 - End**
Standard	2%	Greater of 2% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee
Small Roll-In	Greater of 1% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee
Medium Roll-In	Greater of 1% or Minimum MAP Fee	Greater of 1% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee
Large Roll-In	Greater of 1% or Minimum MAP Fee	Greater of 1% or Minimum MAP Fee	Greater of 1% or Minimum MAP Fee	Greater of 2% or Minimum MAP Fee

7. **Customer Care Center Fee:** 5% of monthly Gross Sales (subject to an increase upon 30 days' notice to you).

8. **Minimum Local Marketing Amounts:**

A. Initial Marketing Spend Requirement: $40,000 during the first 12 months of the operation of your Business, plus $50,000 during the months 13-24 of the operation of your Business.

B. After the time period for the Initial Marketing Spend Requirement, you must spend an amount each month on approved local marketing and advertising of your Business (the "Minimum Local Marketing Spending") equal to the greater of: (a) 10% of the average Gross Sales of the Franchised Business per month during the immediately preceding calendar quarter or (b) $4,000. We may reduce the required amount after the third (3rd) anniversary of the scheduled opening date based upon the depth of your market penetration in the Territory.

9. **Effective Date:** _____

[Signature Page Follows]

FRANCHISEE:

_____
_____, individually

_____
Date

FRANCHISOR:

JUNK KING SPV LLC
A Delaware Limited Liability Company

BY: _____
Paul Tis, President

_____
Date

Schedule B to the Franchise Agreement

ACH FORM

ACH Origination services will not be considered until this application is **FILLED OUT COMPLETELY**

Date of Application:	Business Phone:
Franchise ID #:	Cell Phone:
Franchise Business Owner Name:	
Name of DBA:	
Contact Person:	Title:
Business Address:	
SPECIAL DRAFTING INSTRUCTIONS:	

Please complete blanks below with your banking information using the sample as a reference only, or attach a sample voided check that displays the required information.

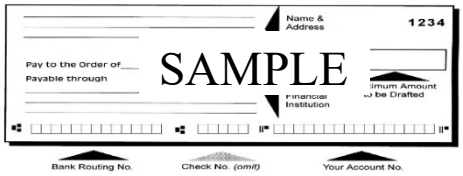
We recommend attaching an image of a cancelled check, banking statement that clearly shows the routing and accounting number to ensure accuracy:

Name of Financial Institution:

Name and Address on Account:

Bank Routing No.:

Account No:



I hereby authorize JUNK KING SPV LLC ("Franchisor"), its affiliates, including Neighborly Assetco LLC, and the financial institution named above to initiate entries, including debit and credit entries, to my checking/savings account identified above periodically, including weekly, monthly, annually or as necessary, on a day specified from time to time by Franchisor to pay all fees, charges and any other amounts owed (including, License Fees, MAP fees, Customer Care Center fees, late fees, interest charges, note payments, software fees and any other amounts owed) pursuant to the terms of the Franchise Agreement and all related agreements entered into with Franchisor and/or its affiliates, with License Fees, MAP fees and Customer Care Center fees to be in accordance with the monthly sales analysis submitted by me; and, if necessary, to initiate adjustments for any transactions credited in error. These debits are related to the operation of the franchised business and the amount of each debit will vary, including from month to month, to a maximum amount (if any) as set forth in the Franchise Agreement. The credits are the amounts due to the franchised business that Franchisor receives from third parties for services performed by the franchised business net of Franchisor's deductions for audit and any related administrative fees and/or credit entries to correct any debit entries that may have been made in error. This authority will remain in effect until I notify you in writing to cancel it in such time as to afford the financial institution a reasonable opportunity to act on such instructions. I can stop payment of any entry by notifying the financial institution at least 3 days before my account is scheduled to be charged. I can have the amount of an erroneous charge immediately credited to my account for up to 15 days following issuance of my statement by the financial institution or up to 60 days after deposit, whichever occurs first.

_____ _____

Date Signature of Franchisee

Schedule C to the Franchise Agreement

PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND PERSONALLY BY THE TERMS AND CONDITIONS OF THE FRANCHISE AGREEMENT

In consideration of the execution of the Franchise Agreement by us, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the arbitration and other dispute resolution provisions of the Franchise Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including the provisions in Section 9, and agree that this Personal Guarantee will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of the Franchise Agreement.

Each of the undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, each of the undersigned consents and agrees that: (i) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; and (ii) such liability will not be diminished, relieved or otherwise affected by franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or any amendment or extension of the Franchise Agreement, with or without notice to the undersigned. It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee will inure to the benefit of our successors and assigns.

FRANCHISEE: _____

PERSONAL GUARANTORS:

_____
_____. Individually
Address
City, State, Zip Code
Telephone:

Schedule D to the Franchise Agreement

ACKNOWLEDGMENT ADDENDUM TO
JUNK KING FRANCHISE AGREEMENT

THIS SCHEDULE D DOES NOT APPLY TO CANDIDATES LOCATED IN, OR FRANCHISED BUSINESSES TO BE LOCATED IN, ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, or WI.

As you know, you and we are entering into a Franchise Agreement for the operation of a JUNK KING franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following statements carefully and confirm their accuracy or advise us of their inaccuracy.

Acknowledgments and Representations. I, the undersigned, hereby acknowledge and represent to Junk King SPV LLC, as follows:

1. I have received a copy of Junk King SPV LLC Franchise Disclosure Document (and all exhibits and attachments) (the "Disclosure Document") at least fourteen calendar days prior to signing the Junk King® Franchise Agreement (the "Franchise Agreement").

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please comment:_____

2. I have reviewed carefully the Disclosure Document and Franchise Agreement.

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please comment:_____

3. I understand all the information contained in both the Disclosure Document and Franchise Agreement.

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please comment:_____

4. No oral, written or visual claim or representation was made to me that contradicted the disclosures in the Disclosure Document.

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please comment:_____

5. Other than as expressly stated in Item 19 of the Disclosure Document, no employee or other person speaking on behalf of Junk King SPV LLC has made any oral, written or visual claim, statement, promise or representation to me that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any JUNK KING business, or the likelihood of success at my franchised business.

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please comment:_____

6. No employee or other person speaking on behalf of Junk King SPV LLC has made any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document.

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please comment:_____

7. I acknowledge and agree that except for the right granted to me to operate a JUNK KING Business within the Territory during the Franchise Agreement term so long as I am in compliance with the Franchise Agreement, Junk King SPV LLC and its affiliates reserve all other rights to the Marks and the System and they may engage in any activity whatsoever, whenever and wherever they desire, as set forth in the Franchise Agreement.

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please comment:_____

8. The Franchise Agreement together with the addenda and appendices thereto constitutes the entire agreement between me and Junk King SPV LLC concerning the franchise for the JUNK KING Business and supersedes any and all prior negotiations, understandings, representations, and agreements, which means that any prior oral or written statements not set out in the Franchise Agreement or Disclosure Document will not be binding. However, nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations Junk King SPV LLC made in the Disclosure Document it furnished to me.

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please comment:_____

9. I acknowledge and agree that in entering into the Franchise Agreement I have not relied on and am not relying on any representations, warranties or other statements whatsoever, whether written or oral other than those included in the Franchise Agreement and the Disclosure Document (including any exhibits, addenda, amendments and attachments) and that I will not have any right or remedy rising out of

any representation, warranty or other statement not expressly set out in the Franchise Agreement and the Disclosure Document (including any exhibits, addenda, amendments and attachments). I am entering into the Franchise Agreement as a result of my own independent investigation of the franchised business and not as a result of any representations about JUNK KING system made by JUNK KING SPV LLC's shareholders, officers, members, managers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in the Franchise Agreement or in any disclosure document given to me pursuant to applicable law. I UNDERSTAND THAT I SHOULD NOT SIGN THE FRANCHISE AGREEMENT IF I BELIEVE JUNK KING SPV LLC OR ANY OF ITS REPRESENTATIVES HAVE PROMISED ME SOMETHING THAT IS NOT PART OF THE FRANCHISE AGREEMENT, ANY ATTACHED EXHIBIT, SCHEDULE OR ADDENDUM OR THE FRANCHISE DISCLOSURE DOCUMENT.

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please comment:_____

10. I understand that the success or failure of my JUNK KING Business will depend in large part upon my skills and experience, my business acumen, my location, the local market for products under the JUNK KING trademarks, interest rates, the economy, inflation, taxes, the number of employees I hire and their compensation, the extent to which I follow established systems, policies and guidelines, the cost of capital and the extent to which I finance the business operations, my contractual arrangements with suppliers, landlord and professional advisors, competition and other economic and business factors. Further, I understand that the economic and business factors that exist at the time I open my JUNK KING Business may change.

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please comment:_____

11. I understand that I am bound by the non-compete covenants (both in-term and post-term) and that an injunction is an appropriate remedy to protect the interest of the JUNK KING system if I violate the covenant(s). Further, I understand that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement.

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please comment:_____

12. I understand that any training, support, guidance or tools Junk King SPV LLC provides to me as part of the franchise are for the sole purpose of protecting the JUNK KING brand and Marks and the Intellectual Property associated with the System and to assist me in the operation of my business and not for the purpose of controlling or in any way intended to exercise or exert control over my decisions or day-to-day operations of my business, including my sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of my employees and all other employment and employee related matters.

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please comment:_____

13. The individuals identified on the receipt pages of my Disclosure Document are the only franchise sellers (i.e., the company representative who offered me my franchise) involved in this franchise sales process.

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please identify any additional franchise sellers involved in this franchise sales process:_____

14. I have been advised to seek professional assistance, to have legal, financial and/or other professional advisors review the documents, and to consult with other franchise owners regarding the risks associated with the purchase of the franchise.

Please select one: ☐ **I Agree** ☐ **I Disagree**
If you disagree, please comment:_____

IF MORE SPACE IS NEEDED TO RESPOND TO ANY REPRESENTATION, CONTINUE ON A SEPARATE SHEET AND ATTACH.

I UNDERSTAND THAT MY ANSWERS ARE IMPORTANT AND THAT JUNK KING SPV LLC WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, I REPRESENT THAT I HAVE CONSIDERED EACH REPRESENTATION CAREFULLY AND RESPONDED FULLY AND TRUTHFULLY.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

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 any applicable law that prohibits releases, estoppels or waivers of liability under such law. Should one or more clauses of this Addendum be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Addendum shall be valid and in full force and effect. **Do not sign** this Acknowledgement if you are a resident of Maryland or the franchise is to be operated in Maryland.

FRANCHISEE:

_____
_____, individually

_____

Date

Schedule E to the Franchise Agreement

TELEPHONE NUMBER AND INTERNET AGREEMENT

_____
(Name of Telephone Company)

_____
(Address)

_____
(City, State, Zip)

This TELEPHONE NUMBER AND INTERNET AGREEMENT, ASSIGNMENT AND POWER OF ATTORNEY ("Assignment") is made pursuant to the terms of the Franchise Agreement dated _____ ("Agreement") by and between JUNK KING SPV LLC ("Franchisor") and _____ ("Franchisee"), authorizing Franchisee to use Franchisor's Marks and System in the operation of a junk removal and recycling and related services business (the "Franchised Business") in and for the Territory. Capitalized terms used herein without a definition shall have the meaning assigned to them in the Agreement.

For value received, Franchisee hereby irrevocably assigns to Franchisor all telephone listings and numbers at any time used by Franchisee in any printed or internet telephone directory in connection with the operation of the Franchised Business in the Territory, whether now-existing or adopted by Franchisee in the future, (collectively "Telephone Listings") and all email addresses, domain names, social media accounts and comparable electronic identities that use the Marks or any portion of them at any time used by Franchisee in connection with any Internet directory, website or similar item in connection with the operation of the Franchised Business, whether now-existing or adopted by Franchisee in the future, (collectively "Internet Listings") (collectively referred to herein as "Listings"). From time to time upon Franchisor's request, Franchisee agrees to promptly provide a complete list of all Listings to Franchisor (in such format and level of detail as required by Franchisor).

Franchisee shall have the right to use the Listings only in connection with advertising and promoting the Franchised Business in the Territory. Franchisee agrees to pay all amounts pertaining to the use of the Listings incurred by it when due. Upon expiration or termination of the Agreement for any reason, Franchisee's right of use of the Listings shall terminate. In the event of termination or expiration of the Agreement, Franchisee agrees to pay all amounts owed in connection with the Listings, including all sums owed under existing contracts for telephone directory advertising and to immediately at Franchisor's request, (i) take any other action as may be necessary to transfer the Listings and numbers to Franchisor or Franchisor's designated agent, (ii) install and maintain, at Franchisee's sole expense, an intercept message, in a form and manner acceptable to Franchisor, on any or all of the Listings; (iii) disconnect the Listings; and/or (iv) cooperate with Franchisor or its designated agent in the removal or relisting of any telephone directory or directory assistance listing, Internet directory, website, social media account or advertising, whether published or online.

Franchisee agrees that Franchisor may require that all telephone numbers and telephone and internet equipment and service must be owned or provided by Franchisor or a supplier approved by Franchisor and that Franchisor has the right to require Franchisee to "port" or transfer to Franchisor or an

approved call routing and tracking vendor all phone numbers associated with the Franchised Business or published in any print or online directory, advertisement, marketing or promotion associated with the Marks.

Franchisee appoints Franchisor as Franchisee's attorney-in-fact, to act in Franchisee's place, for the purpose of assigning any Listings covered by this Assignment to Franchisor or Franchisor's designated agent or taking any other actions required of Franchisee under this Assignment. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of the foregoing powers, including full power of substitution and execution or completion of any documents required or requested by any telephone or other company to transfer such Listings, and Franchisee ratifies every act that Franchisor may lawfully perform in exercising those powers. This power of attorney shall be effective for a period of two (2) years from the date of expiration, cancellation or termination of Franchisee's rights under the Agreement for any reason. Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all rights to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney shall not be affected by the subsequent incapacity of Franchisee. This power of attorney is created to secure performance of a duty to Franchisor and is for consideration.

FRANCHISEE:

_____
_____, individually

_____
Date

Schedule F to the Franchise Agreement

CONFIDENTIALITY AGREEMENT

This **CONFIDENTIALITY AGREEMENT** is entered into by the undersigned, _____ ("you"), for the benefit of **JUNK KING SPV LLC**, a Delaware limited liability company having a principal place of business at 1010 North University Parks Drive, Waco, TX 76707 ("Franchisor"); and _____ ("Franchisee");

WHEREAS, you are associated with Franchisee as a spouse or owner of Franchisee;

WHEREAS, Franchisor intends to enter into a Franchise Agreement (the "Franchise Agreement") pursuant to which Franchisor will grant Franchisee (or a legal entity owned and/or controlled by Franchisee) a license to use Franchisor's trademarks, services marks, logos and other indicia of origin (the "Marks") and Franchisor's methods of operation (the "System") in connection with the operation of a junk removal and recycling and related services business (the "Franchise") in and for a specified geographical area described in the Franchise Agreement. (Capitalized terms used herein without a definition shall have the same meaning as assigned to them in the Franchise Agreement); and

WHEREAS, Franchisor has undertaken, at considerable effort and expense, to create the System which will be revealed to Franchisee pursuant to the Franchise Agreement and you either will be involved in the operation of the franchise, or, if a spouse of Franchisee, may not intend to hold an ownership interest in the Franchise or be actively involved in the operation of the Franchise but through your relationship with Franchisee, will be exposed to and learn many procedures, techniques and other matters that are identified and treated by Franchisor as confidential, proprietary or trade secret, including, without limitation, information regarding the operational, sales, and marketing methods and techniques of Franchisor, which are beyond your skills and experience ("Confidential Information"); and

WHEREAS, you agree that you will receive material benefit from Franchisor entering into the Franchise Agreement with Franchisee. In exchange for that good consideration, you agree to execute and be bound by this Agreement, including the noncompetition covenant set forth herein.

NOW, THEREFORE, you hereby agree as follows:

1. Acknowledgement of Confidentiality Obligation. You acknowledge that through your association or relationship with Franchisee, you will receive valuable Confidential Information that provides a competitive advantage in the development of the Franchise. You acknowledge and agree that the Confidential Information and any Operations Manual are confidential and proprietary in nature and contain trade secrets belonging to Franchisor and that all such tangible evidence of Confidential Information is a property right of great value to Franchisor. You hereby agree to be bound by the provisions of the Franchise Agreement related to confidentiality and protection of trade secrets, including but not limited to Section 5.H of the Franchise Agreement, to the same extent as if a party to the Franchise Agreement.

2. Non-Use. You agree not to (a) use Confidential Information without prior written approval from Franchisor or as otherwise permitted by the Franchise Agreement, or (b) do or perform any other act injurious to the goodwill associated with the Marks and the System.

3. Non-Disclosure. Without prior written approval from Franchisor, you agree not to disclose, communicate or divulge any Confidential Information for your benefit or for the benefit of any other third party, including, without limitation, a competitor of the Franchise and/or Franchisor.

4. Exclusions. Confidential Information does not include and this Agreement does not apply to information that you can establish by reliable documentary evidence (a) was previously known by you, (b) is or becomes part of the public domain other than through your wrongful act, (c) is otherwise lawfully in your hands by a means other than breach of this Agreement or (to your knowledge) third party's breach of its confidentiality obligation to Franchisor, or (d) is sought pursuant to a subpoena or written discovery ("Process"); provided that Franchisor shall be immediately notified of the receipt of the Process, whereupon Franchisor has the right to request that Franchisee and/or you delete the Confidential Information from the scope thereof, and if Franchisee or you refuse, then Franchisor may seek any and all available remedies, including, without limitation, commencing proceedings to enjoin the disclosure of Confidential Information or intervening impending proceedings to seek the entry of protective orders or other appropriate relief. Nothing in this Agreement shall be construed to interfere with a party's obligations to comply with lawful court orders; however, no disclosure of Confidential Information by a party pursuant thereto shall be deemed to place the Confidential Information in the public domain or to relieve the party from the future performance of all its confidentiality obligations under this Agreement, absent express orders of the court to the contrary.

5. Covenant Not to Compete. Except as otherwise approved in writing by Franchisor, you may not, directly or indirectly, through, on behalf of, or in conjunction with, any other person, partnership, or legal entity, own, maintain, operate, or engage or participate in, inure benefit to, or have any financial interest, either as an officer, agent, employee, principal, partner, director, shareholder or any other individual or representative capacity, in any corporation, partnership or other legal entity that engages in any business that is the same as or similar to the Franchise, or is otherwise in competition with the business of Franchisor or Franchisor's franchisees, that engages in the distribution of similar products, services and/or equipment and that is located (a) anywhere, while the Franchise Agreement is in effect or (b) (i) within the territory specified on the Data Sheet to the Franchise Agreement, (ii) within a 25-mile radius of the outer boundary of such territory, or (iii) inside the territory of another JUNK KING business, in each case during a period of two (2) years commencing with the earlier of the termination of the Franchise Agreement or the date on which you cease to be associated with Franchisee (or the individual who is the principal of a legal entity identified as Franchisee) whether because of a termination of an employment arrangement or marriage or otherwise, which period shall be extended by any period of non-compliance. You further agree that upon Franchisor's request you shall make his/her personal and business records available for inspection by Franchisor to determine your compliance with this provision.

6. Customer Non-Solicitation Covenant. In addition, you agree that during the term of the Franchise Agreement and for a period of one year commencing with the earlier of the termination of the Franchise Agreement or the date on which you cease to be associated with Franchisee (or the individual who is the principal of a legal entity identified as Franchisee) whether because of a termination of an employment arrangement or marriage or otherwise, you will not, without our prior written consent, directly or indirectly, for yourself or on behalf of any other person divert, or attempt to divert, any business or customer of the Business or any other JUNK KING Business to any competitor by direct or indirect inducement.

7. Scope of Covenants. The parties agree that each of the foregoing covenants in Section 5 and Section 6 will be construed as independent of any other covenant or provision of this Agreement. To the extent anyone successfully contests the validity or enforceability of any part of Section 5 or Section 6 in its present form predicated upon the scope of coverage, this provision will not be deemed invalid or unenforceable, but will instead be deemed modified, so as to be valid and enforceable, to provide coverage for the maximum scope that any court of competent jurisdiction or arbitrator will deem reasonable and necessary to protect Franchisor's legitimate interests.

8. Choice of Law and Jurisdiction. This Agreement shall be governed by the internal laws of the State of Texas, without regard to conflicts of laws provisions. You agree that any litigation or legal action to enforce or relating to this Agreement shall be filed in Waco, McLennan County, Texas. You hereby consent to the jurisdiction of such Courts and further agree to waive any rights or objections to the jurisdiction or venue of any such actions when filed in such Courts.

9. Legal Fees and Costs. Any unauthorized disclosure following execution of this Agreement may be cause for suit for injunctive relief and damages. If you breach this Agreement, you shall pay reasonable attorney's fees and other costs incurred by Franchisor and/or Franchisee in enforcing the provisions of this Agreement. If any legal proceeding is commenced to enforce or interpret any provision of this Agreement, the prevailing party will be entitled to recover reasonable attorney's fees and all costs and disbursements allowed by law.

10. Defend Trade Secrets Act of 2016 Disclosure. 18 U.S.C. § 1833(b) states: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Accordingly, the Parties to this Agreement have the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. The Parties also have the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b).

11. Entire Agreement. This Agreement sets forth the entire understanding among you, Franchisor and Franchisee with respect to its subject matter and cannot be changed except by written instrument signed by you, Franchisor and Franchisee. There are no representations of any kind except as contained herein. This Agreement will be binding upon and inure to the benefit of the parties, their legal representatives, successors, and assigns.

_____
Signature, individually

_____
Date

Schedule G to the Franchise Agreement

PROMISSORY NOTE AND SECURITY AGREEMENT

DATE: _____

DEBTOR: _____

DEBTOR'S MAILING ADDRESS: _____

SECURED PARTY: JUNK KING SPV LLC
a Delaware limited liability company, or its successors or assigns

SECURED PARTY'S MAILING ADDRESS: 1010 N. University Parks Drive, Waco, TX 76707

PRINCIPAL: _____ AND 00/100 DOLLARS ($____.__)

INTEREST: Interest shall accrue on the unpaid PRINCIPAL balance beginning thirty (30) days before the due date of the first payment until paid in full at the rate of __% per annum. Upon maturity, whether by acceleration or otherwise, all unpaid amounts shall bear interest at the lesser of (i) the maximum rate permitted by applicable law or (ii) __% per annum.

TERMS OF PAYMENT:

The principal and interest of this note shall be payable in monthly installments of **_____ AND 00/100 DOLLARS ($_____)** each, beginning on _____ and continuing on the first day of each month thereafter until _____, on which date the entire principal balance, any accrued, unpaid interest and all other amounts payable under this document are due in full. By execution of the ACH Form attached to the Franchise Agreement entered into by and between DEBTOR and SECURED PARTY (the "Franchise Agreement"), DEBTOR authorizes SECURED PARTY and the financial institution named thereon to make the foregoing payments from DEBTOR'S account until DEBTOR cancels such automatic draft in accordance with the terms of the Authorization or this note is paid in full.

DEBTOR promises to pay PRINCIPAL and INTEREST according to the above TERMS OF PAYMENT to the order of SECURED PARTY. This note may be prepaid in any amount at any time before maturity without penalty. Installments shall continue to be payable regularly after any partial payment unless and until this note has been fully paid. INTEREST shall be calculated on the unpaid PRINCIPAL to the date of any payment or prepayment, with that payment or prepayment being credited first to pay the accrued INTEREST and then to reduce the PRINCIPAL.

If DEBTOR defaults in the payment of any indebtedness or the performance of any obligations under this document or any document collateral to it, including, without limitation, the Franchise Agreement, or DEBTOR sells, assigns or transfers the Franchise Agreement or any interest therein or in the franchise granted thereunder to a third party, SECURED PARTY may declare the entire unpaid PRINCIPAL, earned INTEREST and any other amounts payable under this document immediately due. DEBTOR and each surety, endorser and guarantor waive all demands for payment, presentations for payment, notices of intention to accelerate, notices of acceleration, protests and notices of protest to the extent permitted by law.

If this document or any document collateral to it, including, without limitation, the Franchise Agreement, is given to an attorney for collection or enforcement, is collected or enforced after suit is brought for that purpose or is collected or enforced through probate, bankruptcy or other judicial proceeding, DEBTOR shall pay SECURED PARTY all costs of collection and enforcement (including, without limitation, reasonable attorney's fees and court costs) in addition to amounts due. Debtor shall pay all reasonable costs of collection and enforcement incurred by SECURED PARTY, including reasonable attorneys' fees and court costs, whether incurred before or after judgment and including costs incurred in bankruptcy or insolvency proceedings, to the extent permitted by applicable law.

Interest on any indebtedness under this document or any document collateral to it shall not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged or received under law. Any interest in excess of that maximum amount shall be credited on the principal of the indebtedness or, if that has been paid, refunded. Any such excess resulting from any acceleration or prepayment shall be canceled automatically or, if already paid, credited on the unpaid principal of the indebtedness or, if the principal of the indebtedness has been paid, refunded. This provision overrides other provisions in this and all other instruments related hereto.

If any installment of this note is not paid within thirty (30) days of its due date, a late charge in the amount of TEN AND NO/100 DOLLARS ($10.00) per payment per day will be paid by DEBTOR upon demand as compensation for any expense or inconvenience incurred in collecting that delinquent installment. DEBTOR is not hereby authorized to be delinquent in paying any installment. Any demand for a late charge shall not affect any other remedies available.

If any draft or check is returned by DEBTOR'S financial institution for insufficient funds or any other reason, SECURED PARTY is entitled to reimbursement from DEBTOR in the amount of TWENTY FIVE AND 00/100 DOLLARS ($25.00) per draft or check. Any demand for reimbursement shall not in any manner affect any other remedies available.

COLLATERAL:

All right, title and interest of DEBTOR to all fixtures, furniture, leasehold improvements, furnishings, materials, supplies, equipment, goods, machinery, general intangibles, money, accounts, inventory, chattel paper, documents, instruments, commercial tort claims, deposit accounts, investment property, letter-of-credit rights, letters of credit and other personal property of any kind whatsoever, whether now or hereafter existing, arising, acquired or used by DEBTOR in any manner in connection with the JUNK KING franchise operated by DEBTOR under the Franchise Agreement or any other business which has provided or is providing services related in any manner to operating a retail junk removal, dumpster, and recycling business; and all replacements, betterments, substitutions, renewals, additions, products and proceeds thereto or therefrom.

The term COLLATERAL shall also include (i) all proceeds (as defined in the Uniform Commercial Code), including without limitation cash proceeds, non-cash proceeds, insurance proceeds and other proceeds arising from the sale, lease, license, exchange or other disposition of the COLLATERAL, together with all products, replacements and substitutions thereof, whether now or hereafter arising (ii) and all right, title, and interest of Debtor in any equipment or vehicles used in the operation of the franchised business, whether owned, leased, or otherwise possessed by DEBTOR, including any rights arising under any lease, financing arrangement, or other agreement relating thereto, and any ownership interest or equity arising upon payoff, expiration or termination of such lease or financing arrangement.

The COLLATERAL includes all property of the types described above whether now owned or hereafter acquired.

GRANT OF SECURITY INTEREST:

DEBTOR grants SECURED PARTY a security interest in the COLLATERAL to secure the payment of all indebtedness owed and the performance of all obligations performable by DEBTOR to or for SECURED PARTY (including, without limitation, all indebtedness and obligations under this document or any document collateral to it).

SECURED PARTY's sole duty with respect to the custody, safekeeping and physical preservation of COLLATERAL in its possession or under its control will be to use reasonable care in the custody and preservation of such COLLATERAL. DEBTOR agrees that SECURED PARTY will be deemed to have used reasonable care in the custody and preservation of COLLATERAL if SECURED PARTY deals with such COLLATERAL in the same manner as SECURED PARTY deals with similar property for its own account and, to the extent permitted by applicable law, SECURED PARTY need not take any steps to preserve rights against any other person or entity. Neither SECURED PARTY nor any of its directors, officers, managers, members, employees or agents will be liable for failure to demand, collect or realize upon the COLLATERAL or will be under any obligation to sell or otherwise dispose of any COLLATERAL.

DEBTOR confirms that value has been given, that DEBTOR has rights in the COLLATERAL, and that DEBTOR and SECURED PARTY have not agreed to postpone the time for attachment of the security interest to any of the COLLATERAL. In respect of COLLATERAL which is acquired after the execution date of this Promissory Note and Security Agreement, the time for attachment will be the time when DEBTOR acquires such COLLATERAL.

SECURED PARTY may (and DEBTOR hereby authorizes SECURED PARTY to) execute and file such financing statements and other documents as SECURED PARTY may at any time deem appropriate to perfect the foregoing security interest. Without limiting the generality of the foregoing, DEBTOR authorizes SECURED PARTY to file financing statements designating the collateral as "all personal property" or "all assets" of DEBTOR, and authorizes, ratifies and approves any financing statement filed by SECURED PARTY on or prior to the date of this document.

DEBTOR'S WARRANTIES AND COVENANTS:

For purposes of this section, "Permitted Liens" means (i) liens securing purchase-money obligations or capitalized leases for equipment or vehicles used in the operation of the franchises businesses, provided such liens attach only to the equipment or vehicles being financed, and (ii) other liens approved in writing by Secured Party.

DEBTOR warrants, represents and covenants that: 1) No financing statement covering the COLLATERAL is filed in any public office; 2) DEBTOR is validly existing and in good standing under the laws of the state of its jurisdiction of organization, and the execution and delivery of this document by DEBTOR and the performance of its obligations hereunder have been duly authorized by all necessary action in accordance with applicable laws; 3) DEBTOR owns the COLLATERAL, free and clear of all liens other than liens in favor of SECURED PARTY and Permitted Liens, and has the authority to grant this security interest; 4) none of the COLLATERAL is or will be affixed to real estate, an accession to any goods, commingled with other goods, or a fixture, accession or part of a product or mass with other goods except to the extent arising in the ordinary course of DEBTOR'S franchised business; 5) all information

about DEBTOR'S financial condition provided to SECURED PARTY was accurate when submitted, as will be any information subsequently provided; 6) DEBTOR will defend the COLLATERAL against all claims and demands adverse to SECURED PARTY'S interest in it; 7) the COLLATERAL will remain in DEBTOR'S possession or control at all times; 8) DEBTOR will maintain the COLLATERAL in good condition and protect it against misuse, abuse, waste and deterioration except for ordinary wear and tear resulting from its intended use; 9) DEBTOR will insure the COLLATERAL in accordance with SECURED PARTY'S reasonable requirements regarding choice of carrier, casualties insured against and amount of coverage; 10) insurance policies will be written in favor of DEBTOR and SECURED PARTY according to their respective interests or according to SECURED PARTY'S other requirements; 11) all insurance policies shall provide that the SECURED PARTY will receive at least ten (10) days' notice before cancellation, and the policies or certificates evidencing them will be provided to SECURED PARTY when issued; 12) DEBTOR assumes all risk of loss or damage to the COLLATERAL to the extent of any deficiency in insured coverage; 13) DEBTOR irrevocably appoints SECURED PARTY as DEBTOR'S attorney-in-fact to collect on DEBTOR'S behalf any returned unearned premiums and proceeds of any insurance on the COLLATERAL and to endorse any draft or check deriving from the policies and made payable to DEBTOR; 14) DEBTOR will pay all expenses incurred by SECURED PARTY in negotiating, obtaining, preserving, perfecting, defending and enforcing this document, any document collateral to it or the COLLATERAL (expenses for which DEBTOR is liable include, without limitation, taxes, assessments, reasonable attorney's fees and other legal expenses, these expenses will bear interest from the dates of payments at the highest legal rate of interest, and DEBTOR will pay SECURED PARTY this interest on demand at a time and place reasonably specified by SECURED PARTY); 15) DEBTOR will sign any papers that SECURED PARTY considers necessary to obtain, maintain and perfect this security interest or to comply with any relevant law, including, without limitation, such documents as may be required to have the security interest granted hereunder properly noted on a certificate of title; 16) DEBTOR will immediately notify SECURED PARTY in writing of any material change in the COLLATERAL, of any change in DEBTOR'S name, address or location, of any change in any matter warranted or represented in this document or any document collateral to it, of any change that may affect the security interest in the COLLATERAL, or perfection thereof, and of any event of default; 17) without SECURED PARTY'S prior written consent, DEBTOR will not sell, transfer or encumber any of the COLLATERAL other than sales of inventory in the ordinary course of business; 18) DEBTOR will maintain accurate books and records covering the COLLATERAL; and 19) DEBTOR will furnish SECURED PARTY any requested information related to the COLLATERAL and DEBTOR will allow SECURED PARTY, at any time and place, to inspect the COLLATERAL and all records describing or related to the COLLATERAL.

RIGHTS AND REMEDIES OF SECURED PARTY:

Regardless of whether or not DEBTOR is in default hereunder, SECURED PARTY may: 1) release any COLLATERAL in SECURED PARTY'S possession to any debtor, temporarily or otherwise; 2) take control of any proceeds generated by the COLLATERAL, such as refunds from and proceeds of insurance, and reduce any part of the owed indebtedness accordingly or permit DEBTOR to use such funds to repair or replace damaged/destroyed COLLATERAL; 3) contact account debtors directly to verify information furnished by DEBTOR; 4) notify obligors on the COLLATERAL to pay SECURED PARTY directly and reduce any part of the owed indebtedness accordingly; and 5) as DEBTOR'S agent, endorse any documents or chattel paper that is COLLATERAL or that represents proceeds of COLLATERAL.

SECURED PARTY has no obligation to collect any account and will not be liable for failure to collect any account or for any act or omission on the part of SECURED PARTY or SECURED PARTY'S officers, agents or employees, except willful misconduct. If DEBTOR fails to maintain insurance as required, SECURED PARTY may purchase single-interest insurance coverage that will protect only

SECURED PARTY. If SECURED PARTY purchases this insurance, the insurance premiums will become part of the indebtedness owed by DEBTOR to SECURED PARTY under this document.

EVENTS OF DEFAULT:

Each of the following conditions is an event of default: 1) if DEBTOR defaults in the timely payment or performance of any indebtedness, obligation, covenant or liability in this document, in any document collateral to it, including, without limitation, the Franchise Agreement, or in any other agreement between DEBTOR and SECURED PARTY and fails to cure the same within the applicable cure period provided in this document, the Franchise Agreement, or any related agreement; 2) if any warranty, covenant or representation made to SECURED PARTY by or on behalf of DEBTOR proves to have been false, misleading, or incomplete in any material respect when made; 3) if DEBTOR, any partnership of which DEBTOR is a general partner or any maker, drawer, acceptor, endorser, guarantor, surety, accommodation party or any other person liable for any part of the indebtedness or obligations under this document or any document collateral to it (a) becomes insolvent or unable to pay its debts as they become due; (b) makes an assignment for the benefit of creditors; (c) files, or has filed against it, any petition or proceeding under any bankruptcy, insolvency, or similar law which, in the case of an involuntary filing, is not dismissed within sixty (60) days; or (d) has a receiver, trustee, custodian, or similar official appointed for it or any material portion of its assets or the COLLATERAL; 4) if any lien attaches to any of the COLLATERAL other than any liens granted in favor of SECURED PARTY other than liens in favor of Secured Party or Permitted Liens; and 5) if any of the COLLATERAL is lost, stolen, damaged, or destroyed, unless it is promptly restored or replaced with collateral of like quality.

REMEDIES OF SECURED PARTY ON DEFAULT:

During the existence of any event of default, SECURED PARTY may declare the unpaid PRINCIPAL and earned INTEREST and all other amounts payable under this document immediately due in whole or part, enforce the payment of indebtedness and performance of obligations by DEBTOR under this document and any document collateral to it and exercise any rights and remedies granted by this document, any document collateral to it or by applicable law (including, without limitation, the Texas Uniform Commercial Code), including, without limitation, the following: 1) require DEBTOR to deliver to SECURED PARTY all books and records relating to the COLLATERAL; 2) require DEBTOR to assemble the COLLATERAL and make it available to SECURED PARTY at a place reasonably convenient to both parties; 3) take possession of any of the COLLATERAL and for this purpose enter any premises where it is located; 4) sell, lease or otherwise dispose of any of the COLLATERAL in accord with the rights, remedies and duties of a secured party under Chapters 2 and 9 of the Texas Uniform Commercial Code after providing any notice required by applicable law, including the Texas Uniform Commercial Code; 5) surrender any insurance policies covering the COLLATERAL and receive the unearned premium; 6) apply any proceeds from disposition of the COLLATERAL after default in the manner specified in Chapter 9 of the Texas Uniform Commercial code, including, without limitation, payment of SECURED PARTY'S reasonable attorney's fees and court expenses; and 7) if disposition inadequate, collect the deficiency. SECURED PARTY shall have all rights and remedies of a secured party under the Texas Uniform Commercial Code and other applicable law with respect to the COLLATERAL, including, without limitation, the right to take possession of the COLLATERAL, to dispose of the COLLATERAL, and to accept the COLLATERAL in full or partial satisfaction of the indebtedness.

GENERAL PROVISIONS:

1. SECURED PARTY'S rights under this document shall inure to the benefit of its successors and assigns.

2. Neither delay in exercise nor partial exercise of any of SECURED PARTY'S remedies or rights shall waive further exercise of those remedies or rights. SECURED PARTY'S failure to exercise remedies or rights does not waive subsequent exercise of those remedies or rights. SECURED PARTY'S waiver of any default does not waive further default. SECURED PARTY may remedy any default without waiving the default. The rights, remedies, powers, and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.

3. If DEBTOR fails to perform any of DEBTOR'S obligations, SECURED PARTY may perform those obligations and be reimbursed by DEBTOR on demand for any sums so paid (including, without limitation, attorney's fees and other legal expenses) plus interest on those sums from the dates of payment at the maximum legal rate of interest. The sum to be reimbursed shall be secured by the security interest under this document.

4. This document constitutes the entire contract between DEBTOR and SECURED PARTY with respect to the subject matter hereof and supersedes all previously agreements and understandings, oral or written, with respect thereto. No provisions of this document shall be modified or limited except by written agreement executed by both parties.

5. The unenforceability of any provision will not affect the enforceability or validity of any other provision.

6. This document and the agreement evidenced hereby is to be construed according to Texas laws. All indebtedness is payable and all obligations are performable in Waco, McLennan County, Texas.

7. A carbon, photographic, electronic or other reproduction of this Promissory Note and Security Agreement or any financing statement covering the COLLATERAL is sufficient as a financing statement.

8. If the COLLATERAL is sold after default, recitals in the transfer document will be prima facie evidence of their truth, and all prerequisites to the sale specified herein and by the Texas UCC will be presumed satisfied.

9. The security interest under this document shall neither affect nor be affected by any other security for any of the indebtedness owed or obligations performable by DEBTOR under this document or any document collateral to it. Neither extensions of any of that indebtedness or those obligations nor releases of any of the COLLATERAL will affect the priority or validity of the security interest under this document.

10. Foreclosure of the security interest under this document by suit shall not limit SECURED PARTY'S remedies, including, without limitation, the right to sell the COLLATERAL. All remedies of SECURED PARTY may be exercised at the same or different times, and no remedy shall be a defense to any other. SECURED PARTY'S rights and remedies include all those granted in this document, by law or otherwise.

11. DEBTOR'S appointment of SECURED PARTY as DEBTOR'S attorney-in-fact or agent is coupled with an interest and will specifically survive any death or disability of DEBTOR.

12. As used in this document and unless the context requires another construction, the masculine, feminine and neuter gender shall each include the others and the singular and plural case shall each include the other.

13. DEBTOR acknowledges receipt of an executed copy of this document. DEBTOR waives the right to receive any amount that it may now or hereafter be entitled to receive (whether by way of damages, fine, penalty, or otherwise) by reason of the failure of SECURED PARTY to deliver to DEBTOR a copy of any financing statement or any statement issued by any entity that confirms registration of a financing statement.

FRANCHISEE:

_____
_____, individually

_____
Date

Schedule H to the Franchise Agreement

ROLL-IN ADDENDUM

This ROLL-IN ADDENDUM (the "Addendum") is entered into by and between **JUNK KING SPV LLC**, a Delaware limited liability company having a principal place of business at 1010 North University Parks Drive, Waco, TX 76707 ("we" or "us" or "Franchisor"), and _____, individually, having an address of _____ _____ ("you" or "Franchisee").

WHEREAS, we and you have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") for the operation of the Business (the "Franchised Business") (Capitalized terms used herein without a definition shall have the meaning assigned to them in the Agreement);

WHEREAS, you (or your affiliate) currently operate an existing business ("Existing Business") which performs services for existing customers (the "Roll-In Services") that are similar to services provided by the Franchised Business operated under the Agreement; and

WHEREAS, in consideration of an assignment or "roll-in" of the Roll-In Services (including the customer base for work which falls within the definition of the Franchised Business) from the Existing Business to the Franchised Business, we are willing to alter certain fees payable by you under the Agreement for a time period specified in the Data Sheet to which this Addendum is attached.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Type of Roll-In.** This Addendum documents a Small Roll-In, Medium Roll-In or Large Roll-In, each as defined below (*applicable category checked*):

_____ SMALL ROLL-IN (an Existing Business with annual gross sales of the Roll-In Services of at least $150,000 but not more than $249,999).

_____ MEDIUM ROLL-IN (an Existing Business with annual gross sales of the Roll-In Services of at least $250,000 but not more than $499,999).

_____ LARGE ROLL-IN (an Existing Business with annual gross sales of the Roll-In Services of at least $500,000).

2. **Roll-In Services Gross Sales; Weekly Roll-In Services Gross Sales.**

A. The gross sales generated by the Roll-In Services during the last 12 months are: $_____.

B. The average weekly gross sales generated by the Roll-In Services during the last 12 months are: $_____ (annual Roll-In Services Gross Sales, divided by 52) (the "Roll-In Services Average Weekly Gross Sales").

3. **Assignment of Revenues and Customers; Definition of Gross Sales.**

A. You hereby assign or have caused your affiliate to assign (as applicable) to the Franchised Business (i) all gross sales arising from the operation of the Roll-In Services from and after the Effective Date, and (ii) the customers and/or accounts associated with the Roll-In Services.

B. Anything in the Agreement to the contrary notwithstanding, from and after the Effective Date, the definition of "Gross Sales" (as defined in the Agreement) shall apply to the operation of the Roll-In Services to the same extent as it applies to the operation of the Franchised Business and you shall pay License Fees and MAP Fees with respect to the Gross Sales arising from the operation of the Roll-In Services, as specified below and in the Data Sheet.

4. **License Fees.** Anything in the Agreement to the contrary notwithstanding, you shall pay License Fees with respect to the Roll-In Services in the amount equal to the greater of the applicable percentage of Gross Sales (applicable to the Roll-In Services) set forth on the Data Sheet and the applicable Minimum License Fee set forth on the Data Sheet.

5. **MAP Fees**. Anything in the Agreement to the contrary notwithstanding, you shall pay MAP Fees with respect to the Roll-In Services in the amount equal to the greater of the applicable percentage of Gross Sales (applicable to the Roll-In Services) set forth on the Data Sheet and the applicable Minimum MAP Fee set forth on the Data Sheet.

6. **Manner of Operation of Roll-In Services.** All provisions of the Agreement shall apply to the Roll-In Services and the accounts and customers associated with such services, including the insurance and covenants, to the same extent as they apply to the Franchised Business. For avoidance of doubt, except as specifically provided otherwise herein, for purposes of the Agreement, from and after the Effective Date, the Roll-In Services are included in the definition of the Franchised Business.

7. **Inspections; Audits.** If, after the date hereof, you (directly or through an affiliate) continue to operate the Existing Business, other than the Roll-In Services that become part of the Franchised Business (such remaining Existing Business, the "Separate Business"), you shall make and if applicable shall cause your affiliate to make the books and records (including all electronic records) for the Separate Business available to us for inspection and audit, upon reasonable prior notice, so that we may verify your compliance with the requirements of this Addendum. In addition, the provisions of Section 8.J of the Agreement regarding audits shall apply in all respects to the Separate Business, and we, in our reasonable business judgment, shall have the same rights to access (including remotely) and audit the books and records of the Separate Business, and to require payment for the audit if the audit reveals that you did not comply with the requirements of this Addendum, in addition to any other remedies available to us hereunder or under the law.

8. **Franchisee's Representations and Warranties.** You hereby represent and warrant to us that you have all necessary power and authority to execute this Addendum, to bind the Existing Business to the terms hereof and to perform and comply with all of your obligations hereunder. There is no agreement or understanding (and you will not permit any such agreement or understanding to be entered into during the term of this Addendum) with respect to the Existing Business or the Roll-In Services that would conflict with the terms of this Addendum.

9. **Construction.** Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control. The Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified specifically herein.

< SIGNATURES APPEAR ON THE NEXT PAGE >

IN WITNESS WHEREOF, the parties have executed this Addendum as of the Effective Date.

FRANCHISEE:

_____
_____, individually

_____
Date

FRANCHISOR:

JUNK KING SPV LLC
A Delaware Limited Liability Company

BY: _____
Paul Tis, President

_____
Date

Schedule I to the Franchise Agreement

EXCLUDED SERVICES ADDENDUM

This **EXCLUDED SERVICES ADDENDUM** (the "Addendum") is entered into by and between **JUNK KING SPV LLC**, a Delaware limited liability company having a principal place of business at 1010 North University Parks Drive, Waco, Texas 76707 ("Franchisor"), and _____, individually, having an address of _____ ("Franchisee").

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") for the operation by Franchisee of the Business (the "Franchised Business") (Capitalized terms used herein without a definition shall have the meaning assigned to them in the Agreement);

WHEREAS, Franchisee or its affiliate (as applicable) currently operates an Existing Business (as defined below) which offers Excluded Services (as defined below) that are related to but distinguishable from the services provided by the Franchised Business under the Agreement; and

WHEREAS, Franchisor has agreed that, subject to Franchisee's and, if applicable, its affiliate's continuing compliance with the conditions set forth in this Addendum, the continued operation of the Excluded Services by the Existing Business shall not be deemed to be a violation of Section 9.D of the Agreement (Noncompetition Covenants), and the gross sales attributable to such Excluded Services shall not be included as "Gross Sales" under the Agreement.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Identification of Existing Business.** The name of the Existing Business authorized pursuant to this Addendum is: _____, a _____ located at _____ ("Existing Business"), and the Excluded Services performed by the Existing Business are: _____ ("Excluded Services").

2. **Authorization of Excluded Services Offered by the Existing Business.** Anything in the Agreement to the contrary notwithstanding, the continued offer of the Excluded Services by the Existing Business shall not be deemed to be a violation of Section 9.D of the Agreement (Noncompetition Covenants) and the gross sales of such Excluded Services shall not be deemed to be "Gross Sales" under the Agreement; provided, that the conditions set forth in subparagraphs 2(a)-(d) below are satisfied as of the date of this Addendum and throughout the term of the Agreement (including any extensions or renewals thereof):

A. the operation of such Existing Business does not interfere with Franchisee's operation of the Franchised Business;

B. the Existing Business does not utilize Franchisor's Marks, System or Confidential Information;

C. the Existing Business offers only the Excluded Services identified herein and does not offer the services offered by the Franchised Business or services that otherwise compete with the Franchised Business; and

D. the Franchised Business and the Existing Business maintain separate books and records.

3. **Effect of Failure to Comply with Conditions.** If Franchisee or its affiliate (as applicable) at any time fails to satisfy any of the conditions set forth in subparagraphs 2.(a)-(d) of this Addendum, then the continued operation of the Existing Business shall be deemed to be a violation of Section 9.D of the Agreement (Noncompetition Covenants). In that event Franchisor may terminate the Agreement immediately if Franchisee fails (or fails to cause its affiliate) to cure the breach within a reasonable period of time, not to exceed ten (10) calendar days following written notice from Franchisor (provided however that a breach of clause 2(b) shall not be subject to a cure opportunity). Upon any termination of the Agreement pursuant to this provision, Franchisor shall be entitled to any and all legal and equitable remedies available under the Agreement and applicable law, including, without limitation, the collection, as liquidated damages and not as a penalty, of an amount equal to the License Fees provided in the Agreement with respect to all Gross Sales of the Existing Business for all periods during which the breach is continuing or, if such period cannot be ascertained with certainty, during all periods during which this Addendum has been in effect. This provision shall survive any transfer, expiration, termination or non-renewal of the Agreement or the Franchised Business for the time period set forth in Section 9.D.3 of the Agreement.

4. **Inspections; Audits.** Franchisee shall make and if applicable shall cause its affiliate to make the books and records (including all electronic records, tax returns and personal tax returns) for the Existing Business available to Franchisor for inspection and audit, upon reasonable prior notice, so that Franchisor may verify Franchisee's compliance with the requirements of this Addendum, including the requirements in subparagraph 2(d) above. In addition, the provisions of Section 8.J of the Agreement regarding audits shall apply in all respects to the Existing Business and Franchisor shall have the same rights to access (including remotely) and audit the books and records of the Existing Business, and to require payment for the audit if the audit reveals that Franchisee did not comply with the requirements of this Addendum, in addition to any other remedies available to Franchisor hereunder or under the law.

5. **Franchisee's Representations and Warranties.** Franchisee hereby represents and warrants to Franchisor that it has all necessary power and authority to execute this Addendum, to bind the Existing Business to the terms hereof and to perform and comply with all of its obligations hereunder. There is no agreement or understanding (and Franchisee will not permit any such agreement or understanding to be entered into during the term of this Addendum) with respect to the Existing Business that would conflict with the terms of this Addendum.

6. **Construction.** Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control. Except as specifically provided in this Addendum, the Agreement remains fully effective in all respects in accordance with its terms, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified specifically herein.

7. **No Restriction on In-Term and Post-Term Covenants.** Except as specifically stated in this Addendum, nothing in the Agreement or this Addendum or in the terms used herein shall be construed in any way to limit or restrict the application of the provisions of Section 9.D of the Agreement as it relates to the Existing Business or any other business Franchisee or any of its affiliates may engage in.

< SIGNATURES APPEAR ON THE NEXT PAGE >

FRANCHISEE:

_____
_____, individually

_____
Date

FRANCHISOR:

JUNK KING SPV LLC
A Delaware Limited Liability Company

BY: _____
Paul Tis, President

_____
Date

Schedule J to the Franchise Agreement

STATE ADDENDUM

EXHIBIT B

AGENCIES/AGENTS
FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	California Department of Financial Protection & Innovation 651 Bannon Street, Suite 300 Sacramento, CA 95811 (213) 576-7500 Toll-free (866-275-2677)	Commissioner of Department of Financial Protection & Innovation
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813 (808) 586-2722	Hawaii Commissioner of Securities
ILLINOIS	Franchise Division Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-1090	Illinois Attorney General
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street G. Mennen Williams Bldg. 1st Floor Lansing, MI 48933 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651)-539-1600	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005-1495 (212) 416-8222	Attention: New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Insurance & Securities Department 600 East Boulevard, Dept. 401 Bismarck, ND 58505-0510 (701) 328-2910	North Dakota Securities Commissioner
RHODE ISLAND	Rhode Island Department of Business Regulation Division of Securities 1511 Pontiac Avenue John O. Pastore Complex – Bldg. 69-1 Cranston, RI 02920 (401) 462-9500 x5	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	South Dakota Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of the South Dakota Division of Securities
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission Tyler Building, 1st Floor 1300 E. Main Street Richmond, VA 23219 804-371-9051
WASHINGTON	Department of Financial Institutions Securities Division PO Box 41200 Olympia, WA 98504-1200	Director of Washington Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501 (360) 902-8760
WISCONSIN	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-0448	Wisconsin Commissioner of Securities
OTHER STATES	N/A	Grayson Brown 1010 N. University Parks Drive Waco, TX 76707

EXHIBIT C

FINANCIAL STATEMENTS

Neighborly Assetco LLC and Subsidiaries

Combined Financial Statements
As of December 31, 2025 and 2024 and
for the years ended December 31, 2025 and 2024

Neighborly Assetco LLC and Subsidiaries

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Combined Financial Statements:

Balance Sheets 5

Statements of Operations and Comprehensive Income 6

Statements of Changes in Member's Equity 7

Statements of Cash Flows 8

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Ernst & Young LLP
One Victory Park
Suite 2000
2323 Victory Avenue
Dallas, TX 75219

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ey.com

Report of Independent Auditors

To the Board of Directors and Member of
Neighborly Assetco LLC and Subsidiaries

Opinion

We have audited the combined financial statements of Neighborly Assetco LLC and subsidiaries (the Company), which comprise the combined balance sheets as of December 31, 2025 and 2024, and the related combined statements of operations and comprehensive income, changes in member's equity and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than

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for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Ernst & Young LLP

Dallas, Texas
March 31, 2026

Neighborly Assetco LLC and Subsidiaries

Combined Balance Sheets
($000's)

	December 31, 2025	December 31, 2024
Assets		
Current assets		
Cash	$ 4,181	$ 2,499
Restricted cash	4,362	4,037
Trade accounts receivable – net	28,789	24,255
Trade notes receivable - current portion – net	7,530	7,445
Prepaid expenses and other current assets	12,058	13,044
Total current assets	56,920	51,280
Property and equipment - net	5,502	16,721
Prepaid selling expenses – less current portion	56,149	51,495
Trade notes receivable – less current portion - net	12,466	13,332
Intangible assets – net	1,170,362	1,251,674
Goodwill	1,737,327	1,731,288
Total assets	$ 3,038,726	$ 3,115,790
Liabilities and Member's Equity		
Current liabilities		
Accrued liabilities	$ 4,802	$ 2,998
Deferred revenue - current	14,623	14,745
Total current liabilities	19,425	17,743
Deferred revenue - less current portion	68,813	70,787
Commitments and Contingencies - Note 9	-	-
Member's equity		
Additional paid-in equity	2,288,283	2,531,790
Accumulated earnings	648,835	494,774
Accumulated other comprehensive income	13,370	696
Total Member's equity	2,950,488	3,027,260
Total liabilities and member's equity	$ 3,038,726	$ 3,115,790

See accompanying notes to combined financial statements.

Neighborly Assetco LLC and Subsidiaries

Combined Statements of Operations and Comprehensive Income
($000's)

	Year ended December 31, 2025	2024
Revenues and income		
Franchise service fees and related revenue	$ 353,906	$ 321,208
Sales of products and services	126,891	140,458
Total revenues and income	480,797	461,666
Cost of products and services	69,473	72,612
Gross profit	**411,324**	389,054
Selling expense	20,564	15,364
General and administrative expense	33,961	17,967
Advertising and promotional fund expense	55,204	49,981
Depreciation and amortization	94,436	95,532
Management expenses	45,342	47,126
Loss on impairment	4,068	-
Credit losses	3,688	3,714
Net income	**154,061**	159,370
Other comprehensive income		
Foreign currency translation adjustment	12,674	5,465
Comprehensive income	**$ 166,735**	$ 164,835

See accompanying notes to combined financial statements.

Neighborly Assetco LLC and Subsidiaries

Combined Statements of Changes in Member's Equity
($000's)

		Member's Equity
Balance – December 31, 2023	$	3,111,215
Distributions		(248,790)
Currency translation adjustment		5,465
Net income		159,370
Balance – December 31, 2024	$	3,027,260
Distributions		(243,507)
Currency translation adjustment		12,674
Net income		154,061
Balance – December 31, 2025	$	2,950,488

See accompanying notes to combined financial statements.

Neighborly Assetco LLC and Subsidiaries

Combined Statements of Cash Flows
($000's)

	Year ended December 31, 2025	2024
Operating activities		
Net income	$ 154,061	$ 159,370
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	94,436	95,532
Loss on impairment	4,068	-
Loss on disposal	4,722	-
Credit losses	3,688	3,714
Notes received	(15,048)	(14,803)
Collections of notes receivable	14,419	17,158
Changes in assets and liabilities:		
Trade accounts receivable	(6,814)	(2,524)
Prepaid expenses and other assets	(3,935)	(4,440)
Accrued liabilities	1,368	(1,361)
Deferred revenue	(2,095)	1,725
Net cash provided by operating activities	248,870	254,371
Investing activities		
Purchase of property, equipment and other assets	(3,356)	(3,782)
Net cash used in investing activities	(3,356)	(3,782)
Financing activities		
Distribution of equity	(243,507)	(248,790)
Net cash used in financing activities	(243,507)	(248,790)
Net increase in cash and restricted cash	2,007	1,799
Cash and restricted cash - Beginning of period	**$ 6,536**	**$ 4,737**
Cash and restricted cash - End of period	**$ 8,543**	**$ 6,536**

See accompanying notes to combined financial statements.

1. Description of Business and Significant Accounting Policies

Organization and Description of Business

Neighborly Assetco LLC ("we", "our" and the "Company") is an infinite-lived single-member special purpose Delaware limited liability company and was organized on November 13, 2020, with no operations until March 25, 2021. The Company is a direct, wholly owned subsidiary of Neighborly Issuer LLC (the "Issuer"), which is a special purpose Delaware limited liability company and a direct, wholly owned subsidiary of Neighborly SPV Guarantor LLC (the "SPV Guarantor"), which is a special purpose Delaware limited liability company that is an indirect, wholly owned subsidiary of Neighborly Company (the "Manager"). All of the issued and outstanding limited liability company interests of the Company are directly owned by the Issuer, upon an initial $1.00 capital contribution. The Company is a bankruptcy remote entity that owns substantially all of the US intellectual property including tradenames, franchise agreements, national account relationships and systems-in-place, as well as the United Kingdom (the "UK") tradenames of the Manager. The Company conducts transactions with affiliated parties under common control, and as such, results of operations may not be indicative of operations on a stand-alone basis, without those transactions with related parties. The Company has no employees and relies on the Manager for continued operations.

As of March 25, 2021 the Company's subsidiaries were comprised of a number of franchisors and related supporting businesses operating in the United States (the "US") and internationally and include the following businesses: Aire Serv SPV LLC, Mr. Electric SPV LLC, The Grounds Guys SPV LLC, Rainbow International SPV LLC, Glass Doctor SPV LLC, Mr. Appliance SPV LLC, Mr. Rooter SPV LLC, Molly Maid SPV LLC, Mr. Handyman SPV LLC, Five Star Painting SPV LLC, Window Genie SPV LLC, Real Property Management SPV LLC, Mosquito Joe SPV LLC, HouseMaster SPV LLC, Dryer Vent Wizard SPV LLC, ShelfGenie SPV LLC, and Precision Door Service SPV LLC (each an "SPV Franchisor" and together the "SPV Franchisors") and ProTradeNet SPV LLC, Back Office SPV LLC and G-O Manufacturing SPV LLC (each a "Non-Franchisor SPV Entity" and together the "Non-Franchisor SPV Entities"), each of which is a direct, wholly owned subsidiary of the Company.

In June 2021, assets of Neighborly Services Solutions SPV LLC, a Non-Franchisor SPV entity, were contributed to the Company.

In January 2022, assets of Zorware SPV LLC, NBLY Co Ops CO SPV LLC, and Trench Right SPV LLC were contributed to the Company and intangible assets were acquired by Pimlico SPV Limited, all Non-Franchisor entities. In March 2022, additional assets of NBLY Co Ops CO SPV LLC as well as assets of NBLY Co Ops AZ SPV, both Non-Franchisor entities, were contributed to the Company. In December 2022, intangible assets of Greensleeves Limited were contributed to the Company.

In January 2023, assets of NBLY Co Ops IN SPV LLC, NBLY Logistics SPV LLC, Lawn Pride SPV LLC, and Junk King SPV LLC, were contributed to the Company.

The Company holds all the equity interests in the SPV Franchisors and the Non-Franchisor SPV Entities, certain intellectual property, certain license agreements and certain vendor agreements. Each SPV Franchisor holds the tradenames and the franchise agreements related to such brand and any product supply agreements or vendor agreements related to such brand. The Non-Franchisor SPV Entities hold certain tradenames, certain product supply agreements, certain vendor agreements and the office service agreements.

The Company was formed in connection with a financing transaction (the "Securitization Transaction"), which was completed on March 25, 2021 (see Note 2). On March 25, 2021, the Manager, a Non-Securitization Entity, contributed to the Company through a series of asset transfers to the SPV Guarantor, the Issuer, the Company and its subsidiaries (the "Securitization Entities"), substantially all of its US intellectual property, including tradenames (the "Securitization IP"), franchise agreements, national account relationships and systems-in-place and the UK tradenames (collectively, the "Securitization Assets"). The Manager, certain Securitization Entities and the SPV Franchisors entered into license agreements pursuant to which they granted, respectively, to certain Non-Securitization Entities (i) a non-exclusive license to use and sublicense the Securitization IP in connection with owning and operating certain company-owned store locations, UK locations and Canadian locations and (ii) an exclusive license to use and sublicense the Securitization IP in connection with other products and services.

The contributions of the Securitization Assets are between entities under common control and are recorded at book value. No gain or loss has been realized on the transactions.

On March 25, 2021, the Securitization Entities entered into the management agreement (the "Management Agreement") with the Manager to perform certain services on behalf of the Securitization Entities, including, among other things, collecting franchisee payments, managing the operations on behalf of the Securitization Entities, and performing certain franchising, marketing, and operational and reporting services, as well as managing the intangible assets on behalf of the Securitization Entities. In exchange for providing such services, the Manager will be entitled to receive certain management fees on a weekly basis.

Basis of Presentation

The accompanying combined financial statements as of December 31, 2025 and December 31, 2024 include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

FASB ASC Topic 810-10, Consolidation, applies to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. Such an entity is referred to as a variable interest entity ("VIE"). FASB ASC Topic 810-10 requires the consolidation of a VIE by its primary beneficiary. The primary beneficiary is the entity, if any, that has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE, which is the Company and its subsidiaries.

The Company has determined that the Securitization Entities qualify as VIE's and that Neighborly Company, the Manager, is the primary beneficiary, having both power and benefits, of the Securitization Entities. Accordingly, consolidation of the Company and its subsidiaries (including the SPV Franchisors and the Non-franchisor SPVs) is precluded, and as a result, combined financial statements are presented. All intercompany transactions have been eliminated.

Acquisition of the Manager

On June 29, 2021, Kohlberg Kravis and Roberts ("KKR"), and associated co-investors formed Nest Bidco Inc. which, on September 1, 2021, purchased 100% of the shares of Balcones Holdco, Inc., the parent company of Neighborly Company, from TDG Investment Holdings, LP. Nest Bidco Inc. is an indirectly wholly owned subsidiary of Nest Holdings LP, which is the ultimate parent company of the

newly formed business. The transaction was effected to add Neighborly to KKR's investment portfolio.

Use of Estimates

The preparation of combined 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 combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company is a single-member limited liability company for federal and state income tax purposes with all income tax liabilities and/or benefits of the Company being passed through to the Manager. As such, no recognition of federal or state income taxes will be provided for in the financial statements of the Company.

Revenue Recognition

The Company's primary sources of revenue are as follows:

- Franchise service fees and related revenue include fees from existing franchise owners based on a percentage of each franchise owner's gross sales, which generally range from 2% to 15% of the franchise owner's gross sales, as well as fees for franchise sales generated from the sale of new and existing franchise territories; and

- Sales of products and services to unrelated third parties.

Franchise service fees and related revenue

Typically, franchise agreements are granted to franchise owners for an initial term of ten years with an option to renew. Our performance obligations under franchise agreements consist of providing a license of our brand's intellectual property, a list of approved suppliers, certain training programs, an operations manual, and to maintain the marketing, advertising, and promotional (MAP) fund. These performance obligations are highly interrelated and we do not consider them to be individually distinct, and therefore account for them as a single performance obligation, which collectively represent the obligation to provide a license for the right to use our brand's intellectual property. Revenue related to franchise sales agreements is recognized on a straight-line basis over the term of the agreement and the contract liabilities are recorded in Deferred revenue – current and Deferred revenue in the Combined Balance Sheets. Other revenue associated with the franchise agreements includes variable or sales-based royalties and services and MAP fund fees collected, which are recognized as the underlying sales occur and performance obligations are satisfied.

In the event a franchise agreement is terminated, without a corresponding agreement executed by the same franchise owner, any remaining deferred fees as well as applicable termination fees are recognized in the period of termination.

The Company at times extends credit to entities for the purchase of franchises. These entities are typically controlled by individuals who operate their franchise as an owner/manager. Generally, the

trade notes receivables are collateralized by the related franchise territory rights. The Company also periodically extends unsecured credit to its franchise owners for unpaid franchise service fees. The Company places notes receivable on nonaccrual status when payment is ninety days past due and ceases to recognize revenue from interest on the note until such time as the note receivable is no longer past due. Interest on trade notes receivable is recorded as Franchise service fees and related revenue when earned. Each entity's ability to perform is dependent upon the economic condition of the business. The Company maintains ongoing credit evaluations of its franchise owners.

Allowances for expected credit losses is required on financial instruments based on the total estimated amount to be collected over the lifetime of the instrument. The Company considers both current conditions and reasonable and supportable forecasts of future conditions for estimating expected credit losses. Current conditions considered include pre-defined aging criteria, as well as specified events that indicate the balance due is not collectible. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available macroeconomic data and whether future credit losses are expected to differ from historical losses.

Franchise service fee revenues represent sales-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized in the period in which the sales occur. Sales-based royalties are variable consideration related to our performance obligations to our franchise owners to maintain the intellectual property being licensed.

The right to collect MAP fees and the obligation to maintain the MAP fund is assigned to the Manager by each SPV Franchisor, and the performance obligation and fulfillment thereof resides with the Manager. The Manager's obligation related to these funds is to administer the MAP fund, keep unused MAP fees in segregated bank accounts and use MAP fees for certain activities related to the marketing and promotion of the individual businesses. The Manager acts as the principal in the transaction related to the MAP fund contributions and expenditures. MAP fund contributions and expenditures are reported on a gross basis in the accompanying Combined Statements of Operations and Comprehensive Income in Franchise service fees and related revenue. As noted above, we have concluded the advertising services provided to franchise owners are highly interrelated with the franchise rights and not a distinct performance obligation; therefore, revenues from MAP fund fees are recognized as advertising and promotion fund revenue when the related sales occur based on the application of the sales-based royalty exception within ASC 606, Revenue from contracts with customers.

Synthetic royalties from affiliated entities represent sales-based royalties that are related entirely to our performance obligation under intellectual property license agreements with affiliated entities and are recognized in the period in which the sales occur in Franchise service fees and related revenue in the accompanying Combined Statements of Operations and Comprehensive Income. Synthetic royalties were $26,582 and $28,242 for the years ended December 31, 2025 and 2024, respectively. These sales-based royalties are variable consideration related to our performance obligations to affiliated entities to maintain the intellectual property being licensed. The synthetic royalties are based on separate agreements with affiliates depending on the circumstances and revenues earned. Generally, these royalties are based on a percentage of revenues or profits.

Sales of products and services

Revenues from product sales are recorded in Sales of products and services and recognized upon transfer of title, when delivered to the customer, when the work is performed, or orders are shipped.

Contract Balances

The contract liabilities which we classify as "deferred revenue" consist primarily of the unamortized portion of initial franchise fees that are currently being amortized into revenue, amounts related to pending agreements, or other deferred revenues not related to franchise agreements. The contract balances related to deferred franchise revenue represents our remaining performance obligations to our franchise owners, as we account for our highly interrelated obligations as a single performance obligation, which collectively represent the obligation to provide a license for the right to use our brand's intellectual property excluding amounts of variable consideration related to sale-based royalties, synthetic royalties, license fees and advertising. The other deferred revenues not related to the franchise agreements are included in current deferred revenue.

The components of the change in deferred revenue are as follows:

	Year Ended December 31,	
	2025	2024
Balance at beginning of period	$ 85,532	$ 83,807
Fees received from franchise owners	36,358	35,141
Franchise sales fee revenue recognized	(39,428)	(33,680)
Other changes in deferred revenue	974	264
Balance at end of period	83,436	85,532
Less: current portion	14,623	14,745
Deferred revenue noncurrent	$ 68,813	$ 70,787

As of December 31, 2025, the deferred revenue expected to be recognized for each of the next five years, and in the aggregate, is as follows:

Years ending December 31,	
2026	$ 14,623
2027	12,383
2028	11,779
2029	10,604
2030	9,413
Thereafter	24,634
	$ 83,436

Direct, incremental selling expenses are reimbursed by the Company to the Manager. Such costs paid when the franchise agreement is executed are recorded as a contract asset by the Company and amortized over the life of the agreement consistent with the recognition of the deferred revenue. Contract assets are included in Prepaid expenses and other current assets and Prepaid selling expenses - less current portion in the accompanying Combined Balance Sheets. For the year ended December 31, 2025, $24,756 of costs were incurred and expense of $18,906 was recognized. For the year ended December 31, 2024, $24,044 of costs were incurred and expense of $14,023 was recognized. The ending asset for deferred contract costs as of December 31, 2025 was $65,285, of which $9,135 was current. The ending asset for deferred contract costs as of December 31, 2024 was $59,435, of which $7,940 was current.

Advertising

The Company expenses advertising costs as incurred. Advertising expense was $13,554 and $12,013 for the years ended December 31, 2025 and 2024, respectively. Advertising expense is included in General and administrative expense in the accompanying Combined Statements of Operations and Comprehensive Income. This is separate from MAP fees which are presented on their own line in Combined Statements of Operations and Comprehensive Income.

Inventories

Inventories consist of products to be sold and are stated at the lower of cost (first-in, first-out method) or net realizable value. Inventories were $1,289 and $1,783 as of December 31, 2025 and 2024, respectively.

Property and Equipment

Property and equipment is stated at cost and is depreciated using the straight-line method over the estimated useful lives of the respective assets which are generally as follows: machinery, equipment, and vehicles (5-10 years); and software (3 years). Additions, renewals, and betterments are capitalized; maintenance and repairs which do not extend the useful life of the asset are expensed as incurred.

Management evaluates long-lived assets used in operations for impairment when indicators of impairment are present. If the sum of the estimated undiscounted future cash flows related to the asset is less than the carrying amount, we recognize a loss equal to the difference between the carrying value and the fair value, usually determined by the estimated discounted cash flow analysis of the asset. The Company's evaluation of these long-lived assets indicated that certain assets within a single asset group were not recoverable as the carrying value exceeded the estimated fair value of the assets based on the undiscounted future cash flows. The Company recorded an impairment charge of $4,068 for the year ended December 31, 2025 reducing the carrying value of the property and equipment with a corresponding charge to earnings. The impairment amount recognized in 2025 is classified in the Loss on impairment financial statement line item on the Combined Statement of Operations and Comprehensive Income. No impairment losses were recorded for property and equipment in 2024.

Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of identifiable net assets acquired. The Company tests goodwill annually for impairment, or earlier if events or changes in circumstances indicate that impairment may exist. Management's impairment tests are

generally performed as of October 1st annually. The Company's current goodwill balance was measured as of September 1, 2021, resulting from the acquisition of the Manager and pushdown accounting election, based on the excess of consideration over the fair value of assets acquired.

The Company performed a qualitative assessment of its goodwill as of October 1, 2025 and concluded it is not more likely than not that the fair value of its reporting unit is less than the carrying amount and, as such, a quantitative impairment test was not considered necessary. Management determined that there was no impairment of goodwill in the combined financial statements.

Intangible Assets

Intangible assets consist of tradenames, franchise relationships, national accounts, developed technology, and domain name, and are stated at their acquisition-date fair value, less subsequent amortization. The Company's intangible assets are definite lived, other than domain name, which is indefinite lived.

For definite lived intangible assets, when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable, the Company evaluates the definite lived intangible assets for impairment by comparing the carrying value to the anticipated future undiscounted cash flows expected to be generated from the use of the intangible assets. If the carrying amount is not recoverable, a loss is recorded in the amount the carrying value exceeds the fair market value of the assets. The Company performed a qualitative assessment of its intangible assets and determined that no indicators of impairment were present for definite lived intangible assets.

Tradenames are amortized over their estimated useful life of 20 years, using the straight-line method. Franchise relationships and national accounts relationships are amortized over their estimated useful lives of 15 years, using the straight-line method. Software is amortized over its estimated useful life of 3 years, using the straight-line method.

Domain names are stated at their acquisition-date fair value, and are not amortized, as their useful lives are considered indefinite, but are subject to annual impairment testing. The Company performed a qualitative assessment of its indefinite lived intangible assets as of October 1 in each of 2025 and 2024 and concluded it is not more likely than not that the fair value of its domain names is less than the carrying amount and, as such, a quantitative impairment test was not considered necessary.

Fair Value of Financial Instruments and Non-Financial Assets

In accordance with FASB ASC 820, Fair Value Measurements, certain assets carried at fair value are categorized based on the level of judgment associated with the inputs used to measure their fair value. The standard establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 - Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date for the duration of the instrument's anticipated life.

Level 3 - Inputs are unobservable and therefore reflect management's best estimate of the assumptions that market participants would use in pricing the asset or liability.

As of December 31, 2025 and December 31, 2024, the Company's cash, restricted cash, accounts payable and accrued liabilities are carried at cost, which approximates fair value due to the short-term nature of each instrument and are classified as Level 1. The carrying values reported for trade accounts receivable and trade notes receivables, net of allowances, includes a degree of counterparty non-performance risk and are classified as level 2.

The trade names, systems in place, and developed technology were valued using the relief from royalty method and the franchise relationships and national account relationships were valued using the multi-period excess earnings method in the periods acquired. The future projections and estimates used for the valuations are considered Level 3 inputs.

Foreign Currency Translation

Combined entities that have a functional currency that differs from the Company's reporting currency include our foreign subsidiaries, which are in the UK Foreign currency denominated assets and liabilities are translated using the exchange rates at the end of each reporting period. Results of foreign operations are translated at the weighted average exchange rate for each reporting period. Translation adjustments are included as a component of accumulated other comprehensive income until realized. Where amounts denominated in a foreign currency are converted into US dollars by remittance or repayment, the realized exchange differences are included in the accompanying Combined Statements of Operations and Comprehensive Income, primarily in general and administrative expense, and was immaterial in all periods presented.

Cash and Restricted Cash

Cash consists of cash held on deposit. Restricted cash includes securitized cash held on deposit in Company accounts related to the Securitization Transaction.

Cash and restricted cash consists of the following:

	December 31, 2025	December 31, 2024
Cash	$ 4,181	$ 2,499
Restricted cash:		
Whole business securitization	4,362	4,037
Total cash and restricted cash	$ 8,543	$ 6,536

The Company maintains its cash in banks in which deposits may, from time to time, exceed federally insured limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risks related to cash.

2. Securitization Transactions

On March 25, 2021, the Manager, a Non-Securitization Entity, contributed to the Company through a series of asset transfers to the Securitization Entities, substantially all of the US intellectual property, including tradenames, franchise agreements, national account relationships and systems-in-place and the UK tradenames. The Manager, certain Securitization Entities and the SPV Franchisors entered into license agreements pursuant to which they granted, respectively, to certain Non-Securitization Entities (i) a non-exclusive license to use and sublicense the Securitization IP in connection with owning and operating certain company-owned store locations, UK locations and Canadian locations and (ii) an exclusive license to use and sublicense the Securitization IP in connection with other products and services.

The Company received a cash capital contribution in January 2022 of $102,000 which the Company used to acquire $102,000 in intangible assets. Also in January 2022, the Company received a non-cash capital contribution of $13,456, consisting of $10,862 in property and equipment, $2,082 in intangible assets, and $512 in inventories. In March 2022, the Company received a non-cash contribution of $1,214, consisting of $1,169 in property and equipment and $45 in inventories. In December 2022, the Company received a non-cash contribution of $2,112 in intangible assets from the Manager.

In January 2023, the Company received a non-cash contribution of $101,756, consisting of $99,349 in intangible assets, $3,600 in accounts receivable, $2,241 in property and equipment, $280 in inventories, and an unearned revenue liability, net of prepaid selling expenses, of $3,714.

The contributions of the Securitization Assets are between entities under common control and are recorded at book value as of the unaudited interim date. No gain or loss has been realized on the transactions.

The Issuer is dependent on the Company for sufficient cash flows from their securitized operations to service the Series 2021-1, Series 2022-1, and Series 2023-1 Senior Notes (see Note 3), remit management fees to the Manager, and pay certain other ongoing costs related to the Securitization Transaction.

3. Debt Guarantee

In conjunction with the Securitization Transaction, on March 25, 2021, the Issuer issued $800,000 Series 2021-1 3.584% Fixed Rate Senior Secured Notes (the "Series 2021-1 Senior Notes"). The Series 2021-1 Senior Notes have an anticipated repayment date of April 30, 2028, and a final maturity date of April 30, 2051. Scheduled principal payments of $2,000 and interest are paid quarterly. As of December 31, 2025 and 2024, the Series 2021-1 Senior Notes had $764,000 and $772,000 outstanding, respectively.

Additionally, the Securitization Transaction provided for a $10,000 variable rate Delayed Draw Class A-1-LR Senior Note ("Series 2021-1 Class A-1 Notes"), with a final maturity date of April 30, 2051, which is only available for limited purposes and may not be drawn by the Issuer. Interest on draws is paid weekly at the Secured Overnight Financing Rate (SOFR) plus 300 basis points. As of December 31, 2025 and 2024, no borrowings had been made on the Series 2021-1 Class A-1 Notes.

On January 19, 2022, in connection with a second securitization, the Issuer, issued $410,000 Series 2022-1 3.695% Fixed Rate Senior Secured Notes (the "Series 2022-1 Senior Notes") through a second whole business securitization transaction (the "Second Securitization Transaction"). The Series 2022-1 Senior Notes have an anticipated repayment date of January 30, 2029, and a final maturity date of January 30, 2052. Scheduled principal payments of $1,030 and interest are paid quarterly. As of December 31, 2025 and 2024, the Series 2022-1 Senior Notes had $394,625 and $398,725 outstanding, respectively.

Additionally, the Second Securitization Transaction provided for a $4,000 variable rate Delayed Draw Class A-1-LR Senior Note (the "Series 2022-1 Class A-1 Notes"), with a final maturity date of January 30, 2052, which is only available for limited purposes and may not be drawn by the Issuer. Interest on draws is paid weekly at a rate equal to Prime plus 300 basis points. As of December 31, 2025 and 2024, no draws had been made on the Series 2022-1 Class A-1 Notes.

On February 3, 2023, in connection with a third securitization, the Issuer, issued $275,000 Series 2023-1 7.308% Fixed Rate Senior Secured Notes (the "Series 2023-1 Senior Notes") through a third whole business securitization transaction (the "Third Securitization Transaction"). The Series 2023-1 Senior Notes have an anticipated repayment date of January 30, 2028, and a final maturity date of January 30, 2053. Scheduled principal payments of $687 and interest are paid quarterly. As of December 31, 2025 and 2024, the Series 2023-1 Senior Notes had $267,438 and $270,188 outstanding, respectively.

Additionally, the Third Securitization Transaction provided for a $5,025 variable rate Delayed Draw Class A-1-LR Senior Note (the "Series 2023-1 Class A-1 Notes"), with a final maturity date of January 30, 2053, which is only available for limited purposes and may not be drawn by the Issuer. On December 11, 2024, the Series 2023-1 Class A-1 Notes maturity date was amended to change to January 30, 2055. Interest on draws is paid weekly at a rate equal to SOFR plus 300 basis points. As of December 31, 2025, no draws had been made on the Series 2023-1 Class A-1 Notes.

The Series 2021-1 Senior Notes, the Series 2022-1 Senior Notes, the Series 2023-1 Senior Notes, the Series 2021-1 Class A-1 Notes, the Series 2022-1 Class A-1 Notes, and the Series 2023-1 Class A-1 Notes described above issued in conjunction with the Securitization Transaction, the Second Securitization Transaction, and the Third Securitization Transaction (together, the "Securitization Transactions") are secured by substantially all assets of the Securitization Entities and guaranteed by the Securitization Entities, including the Company, each of which is a bankruptcy remote entity and which owned substantially all of the Manager's US intellectual property including tradenames, franchise agreements, national account relationships and systems-in-place, as well as the UK tradenames as of the date of issuance. The restrictions placed on the Issuer and its subsidiaries require that interest and scheduled principal payments on the Senior Notes and Class A-1 Notes be paid prior to any residual distributions to the Manager, and amounts are segregated weekly to ensure appropriate funds are reserved to pay the quarterly interest and scheduled principal amounts due. The amount of weekly cash flow that exceeds all expenses and obligations of the Issuer and its subsidiaries is generally remitted to the Manager in the form of a distribution. The Manager also receives a fee for the services it provides to the Securitization Entities that is senior to debt service. The Securitization Transaction requires, among other things, maintenance of minimum debt-service coverage ratio levels and additional incurrence of indebtedness and scheduled amortization requirements are subject to compliance with maximum leverage ratio levels. As of December 31, 2025 and 2024, the Issuer was in compliance with all debt-service coverage covenants.

4. Intangible Assets and Goodwill

On March 25, 2021, intangible assets were contributed to the Company, along with certain dates thereafter as discussed in Note 1. Each of the SPV Franchisors are wholly owned subsidiaries and there was no change in ultimate ownership. Accordingly, there has been no change in control and therefore the Company concluded that the guidance in ASC 805 Business Combinations was not applicable. Intangible assets were recorded at the carrying value from the contributing entities on the date of the contribution, as the entities are under common control. Upon the acquisition by KKR (see Note 1), and the Company's election to apply pushdown accounting, the intangible assets were recorded at their acquisition-date fair values.

Intangible assets as of December 31, 2025, consisted of the following:

	Useful Life	Gross Amount	Accumulated Amortization	Net Amount
Tradenames	20 years	$ 976,304	$ 206,518	$ 769,786
Franchise relationships	15 years	552,020	158,755	393,265
National accounts	15 years	2,530	666	1,864
Customer relationships	5 years	12,400	8,267	4,133
Developed Technology	3 years	720	720	-
Total definite-lived intangibles		$ 1,543,974	$ 374,926	$ 1,169,048

	Useful Life	Gross Amount	Accumulated Amortization	Net Amount
Domain Name	Indefinite	$ 1,314	$ -	$ 1,314
Total indefinite-lived intangibles		$ 1,314	$ -	$ 1,314

Intangible assets as of December 31, 2024, consisted of the following:

	Useful Life	Gross Amount	Accumulated Amortization	Net Amount
Tradenames	20 years	$ 968,277	$ 156,717	$ 811,560
Franchise relationships	15 years	552,020	121,954	430,066
National accounts	15 years	2,530	497	2,033
Customer relationships	5 years	12,400	5,787	6,613
Developed Technology	3 years	720	631	89
Total definite-lived intangibles		$ 1,535,947	$ 285,586	$ 1,250,361

	Useful Life	Gross Amount	Accumulated Amortization	Net Amount
Domain Name	Indefinite	$ 1,314	$ -	$ 1,314
Total indefinite-lived intangibles		$ 1,314	$ -	$ 1,314

Amortization expense was $88,214 and $89,241 for the years ended December 31, 2025 and 2024, respectively.

Estimated amortization expense for the subsequent five years is as follows:

Years ending December 31,		
2026	$	88,245
2027		87,418
2028		85,765
2029		85,765
2030		85,765
Thereafter		736,090
	$	**1,169,048**

Goodwill

The Company has assigned goodwill to its reporting units based on fair valuation analysis completed for the acquisition of the Manager by KKR. There have been no impairments recorded on goodwill from the date of the acquisition by KKR on September 1, 2021.

The changes in the carrying amount of goodwill are as follows:

	December 31, 2025	2024
Balance at beginning of period	$ 1,731,288	$ 1,732,653
Adjustment to goodwill for unrealized gain (loss) on foreign currency	6,039	(1,365)
Balance at end of period	$ 1,737,327	$ 1,731,288

5. Member's Equity

Neighborly Assetco LLC ("the Limited Liability Company") was formed pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del.C. §18-101, et seq.), as amended from time to time (the "Act").

The Limited Liability Company is governed by a Limited Liability Company Agreement in which management of the Company is vested in the member ("the Member"), the Manager, who has all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company.

The Member may appoint officers of the Company and may revoke delegated authorities and duties at any time by the Member.

The Limited Liability Company is capitalized with a single membership unit with a $1 per unit par value.

Pursuant to the Management Agreement, excess cash collections after distributions to the Issuer for quarterly interest and scheduled principal payments, expense reimbursements to the Manager and payment of management fees, are distributed to the Manager, as discussed in Note 8. The Member's equity is the residual of equity contributions from the Manager and income earned from operations, less distributions to the Issuer and Manager.

The Company shall dissolve, and its affairs be wound up upon the first to occur of the following: (i) the written consent of the Member, (ii) the retirement, resignation or dissolution of the Member or the occurrence of any other event which terminates the continued membership of the Member in the Company unless the business of the Company is continued in a manner permitted by the Act, or (iii) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

6. Trade Notes Receivable

The Company periodically receives notes from the sale of new franchises. The rights to the related franchise territory sold generally collateralize these notes. The Company also from time-to-time receives notes for delinquent franchise service fees. Such notes, as of December 31, 2025 and 2024, bear interest at rates typically ranging from 9% to 12% and generally require equal monthly installments over a life of one to ten years. Initial trade notes receivable for the respective SPV Franchisors were contributed to the Company as of March 31, 2021 by the Manager and subsequently at various dates thereafter. As the contribution was between entities under common control, the notes receivable transferred were recorded at their historical cost basis in the financial records of the Manager.

A summary of trade notes receivable as of December 31 is as follows:

	2025	2024
Amounts due within one year, net of allowance for credit losses of $549 and $167 as of December 31, 2025 and 2024, respectively	$ 7,530	$ 7,445
Amounts due after one year, net of allowance for credit losses of $935 and $299 as of December 31, 2025 and 2024, respectively	12,466	13,332
Total trade notes receivable, net	**$ 19,996**	$ 20,777

An analysis of the changes in trade notes receivable is as follows:

	Year Ended December 31,	
	2025	2024
Gross trade notes receivable, beginning of period	$ 21,242	$ 25,314
Principal payments received	(14,419)	(17,158)
Notes issued	15,048	14,803
Net write-offs	(389)	(1,727)
Foreign currency translation	-	10
Gross trade notes receivable, end of period	21,482	21,242
Allowance for credit losses	(1,486)	(465)
Net trade notes receivable, end of period	**$ 19,996**	$ 20,777

An analysis of the changes in the trade notes receivable allowance is as follows:

	Year Ended December 31,	
	2025	2024
Allowance, beginning of period	$ 466	$ 563
Provision for credit losses	1,409	1,630
Net write-offs	(389)	(1,727)
Allowance, end of period	**$ 1,486**	$ 466

Scheduled future maturities of trade notes receivable are as follows:

Years ending December 31,	
2026	$ 8,079
2027	4,488
2028	3,160
2029	2,557
2030	1,817
Thereafter	1,381
	$ 21,482

7. Property and Equipment

A summary of property and equipment as of December 31 is as follows:

	2025	2024
Machinery & equipment	$ 6,869	$ 8,448
Software	9,892	11,172
Vehicles	6,443	10,479
Total property and equipment	23,204	30,099
Less accumulated depreciation	(17,702)	(13,378)
Property and equipment - net	$ 5,502	$ 16,721

Depreciation expense was $6,221 and $6,291 for the years ended December 31, 2025 and 2024, respectively. The Company recorded an impairment charge of $4,068 in 2025 related to property and equipment within one asset group as discussed in Note 2, primarily in Machinery and Equipment and vehicles.

8. Related Party Transactions

The Company has material ongoing transactions with the Manager and other direct and indirect subsidiaries of the Manager.

Related parties, some of which are outside the United States, pay the Company, or its subsidiaries, a synthetic royalty or license fee for access to and use of their intellectual property, none of which are denominated in a foreign currency. Synthetic royalties and master license fees from affiliated entities were $28,115 and $28,241 for the years ended December 31, 2025 and 2024, respectively.

As discussed in Note 2, the Securitized Entities entered into the Management Agreement with the Manager to perform certain services on behalf of the Securitized Entities. In exchange for the services, the Securitized Entities pay a management fee for each 12-month period equal to the sum of (i) an annual base management fee of $8,000, plus (ii) a fee of $12.425 for every $100 of aggregate total securitization revenues in the form of collections for the applicable period.

The Company incurred management fees of $45,342 and $47,126 for the years ending December 31, 2025 and 2024, respectively.

Costs of products and services as well as advertising and promotion fund expenses are reimbursed by the Company to the Manager.

Excess cash collections after distributions to the Issuer for quarterly interest and scheduled principal payments, expense reimbursements to the Manager and payment of management fees, are distributed to the Manager. Distributions were $243,507 and $248,790 for the years ended December 31, 2025 and 2024, respectively.

9. Contingencies

The Company is engaged in various legal proceedings incidental to its normal business activities. Management has determined that it is not probable that the Company has incurred any loss contingencies as defined in FASB ASC Topic 450, Contingencies. Accordingly, no liabilities have been accrued for these matters as of December 31, 2025 and 2024.

Management believes that the outcome of such matters will not have a material effect on the Company's combined financial statements.

10. Subsequent Events

In preparation of its financial statements, the Company considered subsequent events through March 31, 2026, which was the date the Company's financial statements were available to be issued.

Neighborly Assetco LLC and Subsidiaries

Combined Financial Statements
As of December 31, 2024 and 2023 and
for the years ended December 31, 2024 and 2023

Neighborly Assetco LLC and Subsidiaries

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Report of Independent Auditors

To the Board of Directors and Stockholders of
Neighborly Assetco LLC and Subsidiaries

Opinion

We have audited the combined financial statements of Neighborly Assetco LLC and subsidiaries (the Company), which comprise the combined balance sheets as of December 31, 2024 and 2023, and the related combined statements of operations and comprehensive income, changes in member's equity and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Ernst & Young LLP

Dallas, Texas
March 31, 2025

Neighborly Assetco LLC and Subsidiaries

Combined Balance Sheets
($000's)

As of December 31,		**2024**		2023
Assets				
Current assets				
Cash	**$**	**2,499**	$	3,171
Restricted Cash		**4,037**		1,566
Trade accounts receivable - net		**24,255**		23,826
Trade notes receivable, current portion – net		**7,445**		9,530
Inventories		**1,783**		989
Prepaid selling expenses, current		**7,940**		6,935
Other current assets		**3,321**		2,597
Total current assets		**51,280**		48,614
Property and equipment – net		**16,721**		18,779
Prepaid selling expenses, less current portion		**51,495**		42,479
Trade notes receivable, less current portion - net		**13,332**		15,221
Intangible assets - net		**1,251,674**		1,341,184
Goodwill		**1,731,288**		1,732,653
Total assets	**$**	**3,115,790**	**$**	3,198,930
Liabilities and Member's Equity				
Current liabilities				
Accrued liabilities	**$**	**2,998**	$	3,908
Deferred revenue, current		**14,745**		13,631
Total current liabilities		**17,743**		17,539
Deferred Revenue, less current portion		**70,787**		70,176
Contingencies (Note 9)				
Member's Equity				
Additional paid-in equity	**$**	**2,531,790**	$	2,780,580
Accumulated earnings		**494,774**		335,404
Accumulated other comprehensive income/(loss)		**696**		(4,769)
Total Member's Equity		**3,027,260**		3,111,215
Total liabilities and member's equity	**$**	**3,115,790**	$	3,198,930

See accompanying notes to combined financial statements.

Neighborly Assetco LLC and Subsidiaries

Combined Statements of Operations and Comprehensive Income
($000's)

For the years ended December 31,		2024	2023
Revenues and income			
Franchise service fees	$	180,984	169,842
Synthetic royalties and master license fees		28,242	28,705
Franchise sales fees		33,680	36,783
Sales of products and services		140,458	143,807
Advertising and promotional fund revenue		47,800	42,404
Other revenue		30,502	30,338
Total revenues and income		461,666	451,879
Cost of Sales			
Products and services		72,612	68,752
Gross Profit		389,054	383,127
Selling expense		15,364	6,939
General and administrative expense		17,967	18,705
Advertising and promotional fund expense		49,981	47,365
Depreciation and amortization		95,532	97,290
Management expenses		47,126	44,075
Bad debt expense		3,714	2,283
Net income	$	159,370	166,470
Other comprehensive income			
Foreign currency translation adjustment		5,465	18,104
Comprehensive income	$	164,835	184,574

See accompanying notes to combined financial statements.

Neighborly Assetco LLC and Subsidiaries

Combined Statements of Changes in Member's Equity
($000's)

	Member's Equity
Balance – December 31, 2022	**$ 3,090,123**
Adoption of accounting principle	506
Equity contribution	101,756
Distributions	(265,744)
Net income	166,470
Foreign currency translation adjustment	18,104
Balance – December 31, 2023	**$ 3,111,215**
Distributions	(248,790)
Net income	159,370
Foreign currency translation adjustment	5,465
Balance – December 31, 2024	**$ 3,027,260**

See accompanying notes to combined financial statements.

Neighborly Assetco LLC and Subsidiaries

Combined Statements of Cash Flows
($000's)

For the years ended December 31,	2024	2023
Operating activities		
Net income	$ 159,370	$ 166,470
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	95,532	97,290
Bad debt expense	3,714	2,283
Trade notes issued	(14,803)	(15,050)
Collections of notes receivable	17,158	16,293
Changes in assets and liabilities:		
Trade accounts receivable	(2,524)	(464)
Inventories	(794)	883
Prepaid selling expenses and other assets	(3,646)	(11,464)
Accrued liabilities	(1,361)	198
Deferred revenue	1,725	11,195
Net cash provided by operating activities	254,371	267,634
Investing activities		
Purchase of equipment and other assets	(3,782)	(2,893)
Net cash used in investing activities	(3,782)	(2,893)
Financing activities		
Distributions paid	(248,790)	(265,744)
Net cash used in financing activities	(248,790)	(265,744)
Net increase (decrease) in cash and restricted cash	1,799	(1,003)
Cash and restricted cash - Beginning of period	4,737	5,740
Cash and restricted cash - End of period	$ 6,536	$ 4,737
Supplemental cash flow disclosures:		
Non-cash contribution of equity	$ -	$ 101,756

See accompanying notes to combined financial statements.

1. Description of Business and Significant Accounting Policies

Organization and Description of Business

Neighborly Assetco LLC ("we", "our" and the "Company") is an infinite-lived single-member special purpose Delaware limited liability company and was organized on November 13, 2020, with no operations until March 25, 2021. The Company is a direct, wholly owned subsidiary of Neighborly Issuer LLC (the "Issuer"), which is a special purpose Delaware limited liability company and a direct, wholly owned subsidiary of Neighborly SPV Guarantor LLC (the "SPV Guarantor"), which is a special purpose Delaware limited liability company that is an indirect, wholly owned subsidiary of Neighborly Company (the "Manager"). All of the issued and outstanding limited liability company interests of the Company are directly owned by the Issuer, upon an initial $1.00 capital contribution. The Company is a bankruptcy remote entity that owns substantially all of the US intellectual property including tradenames, franchise agreements, national account relationships and systems-in-place, as well as the United Kingdom (the "UK") tradenames of the Manager. The Company conducts transactions with affiliated parties under common control, and as such, results of operations may not be indicative of operations on a stand-alone basis, without those transactions with related parties. The Company has no employees and relies on the Manager for continued operations.

As of March 25, 2021 the Company's subsidiaries were comprised of a number of franchisors and related supporting businesses operating in the United States (the "US") and internationally and include the following businesses: Aire Serv SPV LLC, Mr. Electric SPV LLC, The Grounds Guys SPV LLC, Rainbow International SPV LLC, Glass Doctor SPV LLC, Mr. Appliance SPV LLC, Mr. Rooter SPV LLC, Molly Maid SPV LLC, Mr. Handyman SPV LLC, Five Star Painting SPV LLC, Window Genie SPV LLC, Real Property Management SPV LLC, Mosquito Joe SPV LLC, HouseMaster SPV LLC, Dryer Vent Wizard SPV LLC, ShelfGenie SPV LLC, and Precision Door Service SPV LLC (each an "SPV Franchisor" and together the "SPV Franchisors") and ProTradeNet SPV LLC, Back Office SPV LLC and G-O Manufacturing SPV LLC (each a "Non-Franchisor SPV Entity" and together the "Non-Franchisor SPV Entities"), each of which is a direct, wholly owned subsidiary of the Company.

In June 2021, assets of Neighborly Services Solutions SPV LLC, a Non-Franchisor SPV entity, were contributed to the Company.

In January 2022, assets of Zorware SPV LLC, NBLY Co Ops CO SPV LLC, and Trench Right SPV LLC were contributed to the Company and intangible assets were acquired by Pimlico SPV Limited, all Non-Franchisor entities. In March 2022, additional assets of NBLY Co Ops CO SPV LLC as well as assets of NBLY Co Ops AZ SPV, both Non-Franchisor entities, were contributed to the Company. In December 2022, intangible assets of Greensleeves Limited were contributed to the Company.

In January 2023, assets of NBLY Co Ops IN SPV LLC, NBLY Logistics SPV LLC, Lawn Pride SPV LLC, and Junk King SPV LLC, were contributed to the Company.

The Company holds all the equity interests in the SPV Franchisors and the Non-Franchisor SPV Entities, certain intellectual property, certain license agreements and certain vendor agreements. Each SPV Franchisor holds the tradenames and the franchise agreements related to such brand and any product supply agreements or vendor agreements related to such brand. The Non-Franchisor SPV Entities hold certain tradenames, certain product supply agreements, certain vendor agreements and the office service agreements.

The Company was formed in connection with a financing transaction (the "Securitization Transaction"), which was completed on March 25, 2021 (see Note 2). On March 25, 2021, the Manager, a Non-Securitization Entity, contributed to the Company through a series of asset transfers to the SPV Guarantor, the Issuer, the Company and its subsidiaries (the "Securitization Entities"), substantially all of its US intellectual property, including tradenames (the "Securitization IP"), franchise agreements, national account relationships and systems-in-place and the UK tradenames (collectively, the "Securitization Assets"). The Manager, certain Securitization Entities and the SPV Franchisors entered into license agreements pursuant to which they granted, respectively, to certain Non-Securitization Entities (i) a non-exclusive license to use and sublicense the Securitization IP in connection with owning and operating certain company-owned store locations, UK locations and Canadian locations and (ii) an exclusive license to use and sublicense the Securitization IP in connection with other products and services.

The contributions of the Securitization Assets are between entities under common control and are recorded at book value. No gain or loss has been realized on the transactions.

On March 25, 2021, the Securitization Entities entered into the management agreement (the "Management Agreement") with the Manager to perform certain services on behalf of the Securitization Entities, including, among other things, collecting franchisee payments, managing the operations on behalf of the Securitization Entities, and performing certain franchising, marketing, and operational and reporting services, as well as managing the intangible assets on behalf of the Securitization Entities. In exchange for providing such services, the Manager will be entitled to receive certain management fees on a weekly basis.

Basis of Presentation

The accompanying combined financial statements as of December 31, 2024 and December 31, 2023 include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

FASB ASC Topic 810-10, Consolidation, applies to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. Such an entity is referred to as a variable interest entity ("VIE"). FASB ASC Topic 810-10 requires the consolidation of a VIE by its primary beneficiary. The primary beneficiary is the entity, if any, that has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE, which is the Company and its subsidiaries.

The Company has determined that the Securitization Entities qualify as VIE's and that Neighborly Company, the Manager, is the primary beneficiary, having both power and benefits, of the Securitization Entities. Accordingly, consolidation of the Company and its subsidiaries (including the SPV Franchisors and the Non-franchisor SPVs) is precluded, and as a result, combined financial statements are presented. All intercompany transactions have been eliminated.

Acquisition of the Manager

On June 29, 2021, Kohlberg Kravis and Roberts ("KKR"), and associated co-investors formed Nest Bidco Inc. which, on September 1, 2021, purchased 100% of the shares of Balcones Holdco, Inc., the parent company of Neighborly Company, from TDG Investment Holdings, LP. Nest Bidco Inc. is an indirectly wholly owned subsidiary of Nest Holdings LP, which is the ultimate parent company of the

newly formed business. The transaction was effected to add Neighborly to KKR's investment portfolio, and allows Neighborly to gain access to KKR's capital and resources.

Use of Estimates

The preparation of combined 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 combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company is a single-member limited liability company for federal and state income tax purposes with all income tax liabilities and/or benefits of the Company being passed through to the Manager. As such, no recognition of federal or state income taxes will be provided for in the financial statements of the Company.

Revenue Recognition

The Company's primary sources of revenue are as follows:

- Franchise service fees from existing franchise owners based on a percentage of each franchise owner's gross sales. These fees generally range from 2% to 15% of the franchise owner's weekly sales, depending upon the particular franchise concept and upon various other factors;

- Synthetic royalties and master license fees from affiliated entities resulting from their use of the Company's intellectual property;

- Franchise sales fees generated from the sale of new franchise territories and the sale of additional franchise territories to existing franchise owners;

- Sales of products and services to unrelated third parties;

- Advertising and promotional revenue represents marketing, advertising and promotional ("MAP") fund fees collected from existing franchise owners. These fees are typically a percentage of each franchise owner's gross sales and vary depending upon the particular franchise concept and various other factors;

- Other revenue consists of incentives earned from services performed for unrelated third parties and interest generated from notes receivable.

Typically, franchise agreements are granted to franchise owners for an initial term of ten years with an option to renew. The respective franchisor's obligations under franchise agreements consist of providing a license of the applicable brand's intellectual property, a list of approved suppliers, certain training programs, an operations manual, and to maintain the MAP fund. These performance obligations are highly interrelated, and we do not consider them to be individually distinct, and therefore account for them as a single performance obligation, which collectively represent the

obligation to provide a license for the right to use our brand's intellectual property. Revenue related to franchise agreements is recognized on a straight-line basis over the term of the agreement, with the exception of variable or sales-based royalties, MAP fund fees collected and revenue allocated to goods and services and other variable fees which are recognized as the underlying sales occur and performance obligations are satisfied.

In the event a franchise agreement is terminated, without a corresponding agreement executed by the same franchise owner, any remaining deferred fees are recognized in the period of termination.

The Company periodically extends credit to entities for the purchase of franchises. These entities are typically controlled by individuals who operate their businesses as an owner/manager. Generally, the notes receivable are collateralized by the related franchise territory rights. The Company also extends unsecured credit to its franchise owners for unpaid franchise service fees. The Company places notes receivable on nonaccrual status when payment is ninety days past due, and ceases to recognize revenue from interest on the note until such time as the note is no longer past due. Interest on trade notes receivable is recorded as revenue when earned. Each entity's ability to perform is dependent upon the economic condition of the business. The Company maintains ongoing credit evaluations of its franchise owners.

The Company adopted ASU 2016-13, Financial Instruments - Credit Losses, on January 1, 2023, which was retroactively applied as of the first day of 2023, as further described below. This accounting standard requires companies to measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instrument. Prior to the adoption of this accounting standard, the Company recorded incurred loss reserves against receivable balances based upon past loss experience, known and inherent risks in the accounts, adverse situations that may affect a franchise owner's ability to repay, and current economic conditions.

Expected credit losses for uncollectible receivable balances consider both current conditions and reasonable and supportable forecasts of future conditions. Current conditions considered include pre-defined aging criteria, as well as specified events that indicate the balance due is not collectible. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available macroeconomic data and whether future credit losses are expected to differ from historical losses.

Franchise service fee revenues represent sales-based royalties that are related entirely to the applicable franchisor's performance obligation under the franchise agreement and are recognized in the period in which the sales occur. Sales-based royalties are variable consideration related to our performance obligations to the franchise owners to maintain the intellectual property being licensed.

The right to collect marketing, advertising, and promotional ("MAP") fees and the obligation to maintain the MAP fund is assigned to the Manager by each SPV Franchisor, and the performance obligation and fulfillment thereof resides with the Manager. The Manager's obligation related to these funds is to administer the MAP fund, keep unused MAP fees in segregated bank accounts and use MAP fees for certain activities related to the marketing and promotion of the individual businesses. We have determined we act as the principal in the transaction related to the MAP fund contributions and expenditures. MAP fund contributions and expenditures are reported on a gross basis in the accompanying Combined Statements of Operations and Comprehensive Income. As noted above, we have concluded the advertising services provided to franchise owners are highly interrelated with the franchise rights and not a distinct performance obligation; therefore, revenues from MAP fund fees are recognized as advertising and promotion fund revenue when the related

sales occur based on the application of the sales-based royalty exception within ASC 606, Revenue from contracts with customers.

Revenues from product sales are recognized upon transfer of title, when delivered to the customer, when the work is performed, or orders are shipped. Incentives earned are recognized as services are performed.

Synthetic royalties from affiliated entities represent sales-based royalties that are related entirely to our performance obligation under intellectual property license agreements with affiliated entities and are recognized in the period in which the sales occur. These sales-based royalties are variable consideration related to our performance obligations to affiliated entities to maintain the intellectual property being licensed.

Master license and services fees from affiliated entities represent variable consideration in a series for which our performance obligation is satisfied over time, as our intellectual property is simultaneously accessed and benefits thereof consumed by affiliated entities.

Contract Balances

The contract liabilities which we classify as "deferred revenue" consist primarily of the unamortized portion of initial franchise fees that are currently being amortized into revenue, amounts related to pending agreements, or other deferred revenues not related to franchise agreements. Contract deferred franchise revenue represents our remaining performance obligations to our franchise owners, as we account for our highly interrelated obligations as a single performance obligation, which collectively represent the obligation to provide a license for the right to use our brand's intellectual property excluding amounts of variable consideration related to sale-based royalties, synthetic royalties, license fees and advertising. The other deferred revenues not related to the franchise agreements are included in current deferred revenue.

The components of the change in deferred revenue are as follows:

For the years ended December 31,	**2024**	2023
Balance at beginning of period	$ **83,807**	$ 68,226
Fees received from franchise owners	**35,141**	47,447
Franchise sales revenue recognized	**(33,680)**	(36,783)
Contributed from Manager	**-**	4,386
Other deferred revenue recognized	**264**	531
Balance at end of period	**85,532**	83,807
Less: current portion	**14,745**	13,631
Deferred revenue, noncurrent	$ **70,787**	$ 70,176

As of December 31, 2024, the deferred revenue expected to be recognized for each of the next five years, and in the aggregate, is as follows:

Years ending December 31,		
2025	$	14,745
2026		11,949
2027		11,701
2028		11,109
2029		9,829
Thereafter		26,199
	$	85,532

Direct, incremental selling expenses are reimbursed by the Company to the Manager. Such costs paid when the franchise agreement is executed are recorded as a contract asset by the Company and amortized over the life of the agreement consistent with the recognition of the deferred revenue. Contract assets are included in current and non-current prepaid selling expenses in the accompanying Combined Balance Sheets. For the year ended December 31, 2024, $24,044 of costs were incurred and expense of $14,023 was recognized. For the year ended December 31, 2023, $23,590 of costs were incurred and expense of $6,181 was recognized. The ending asset for deferred contract costs as of December 31, 2024 was $59,435, of which $7,940 was current. The ending asset for deferred contract costs as of December 31, 2023 was $49,414, of which $6,935 was current.

Advertising

The Company expenses advertising costs as incurred. Advertising expense was $12,013 and $13,353 for the years ended December 31, 2024 and 2023, respectively. Advertising expense is included in general and administrative expense in the accompanying Combined Statements of Operations and Comprehensive Income. This is separate from MAP fees which are presented on their own line in Consolidated Statements of Operations and Comprehensive Income (Loss).

Inventories

Inventories consist of products to be sold and are stated at the lower of cost (first-in, first-out method) or net realizable value.

Property and Equipment

Property and equipment is stated at cost and is depreciated using the straight-line method over the estimated useful lives of the respective assets which are generally as follows: machinery, equipment, and vehicles (5-10 years); and software (3 years). Additions, renewals, and betterments are capitalized; maintenance and repairs which do not extend the useful life of the asset are expensed as incurred.

Management evaluates long-lived assets used in operations for impairment when indicators of impairment are present. Impairment losses are recorded in the amount that carrying value exceeds fair market value when the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of the assets. No impairment losses for property and equipment were recorded for the years ended December 31, 2024 and December 31, 2023.

Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of identifiable net assets acquired. The Company tests goodwill annually for impairment, or earlier if events or changes in circumstances indicate that impairment may exist. Management's impairment tests are generally performed as of October 1st annually. The Company's current goodwill balance was measured as of September 1, 2021, resulting from the acquisition of the Manager and pushdown accounting election, based on the excess of consideration over the fair value of assets acquired.

The Company performed a qualitative assessment of its goodwill as of October 1, 2024 and concluded it is not more likely than not that the fair value of its reporting unit is less than the carrying amount and, as such, a quantitative impairment test was not considered necessary. Management determined that there was no impairment of goodwill in the combined financial statements.

Intangible Assets

Intangible assets consist of tradenames, franchise relationships, national accounts, developed technology, and domain name, and are stated at their acquisition-date fair value, less subsequent amortization. The Company's intangible assets are definite lived, other than domain name, which is indefinite lived.

For definite lived intangible assets, when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable, the Company evaluates the definite lived intangible assets for impairment by comparing the carrying value to the anticipated future undiscounted cash flows expected to be generated from the use of the intangible assets. If the carrying amount is not recoverable, a loss is recorded in the amount the carrying value exceeds the fair market value of the assets. The Company performed a qualitative assessment of its intangible assets and determined that no indicators of impairment were present for definite lived intangible assets.

Tradenames are amortized over their estimated useful life of 20 years, using the straight-line method. Franchise relationships and national accounts relationships are amortized over their estimated useful lives of 15 years, using the straight-line method. Software is amortized over its estimated useful life of 3 years, using the straight-line method.

Domain names are stated at their acquisition-date fair value, and are not amortized, as their useful lives are considered indefinite, but are subject to annual impairment testing. The Company performed a qualitative assessment of its indefinite lived intangible assets as of October 1 in each of 2024 and 2023 and concluded it is not more likely than not that the fair value of its domain names is less than the carrying amount and, as such, a quantitative impairment test was not considered necessary.

Fair Value of Financial Instruments and Non-Financial Assets

In accordance with FASB ASC 820, Fair Value Measurements, certain assets carried at fair value are categorized based on the level of judgment associated with the inputs used to measure their fair

value. The standard establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 - Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date for the duration of the instrument's anticipated life.

Level 3 - Inputs are unobservable and therefore reflect management's best estimate of the assumptions that market participants would use in pricing the asset or liability.

The trade names, systems in place, and developed technology were valued using the relief from royalty method and the franchise relationships and national account relationships were valued using the multi-period excess earnings method in the periods acquired. The future projections and estimates used for the valuations are considered Level 3 inputs.

Foreign Currency Translation

Combined entities that have a functional currency that differs from the Company's reporting currency include our foreign subsidiaries, which are in the UK Foreign currency denominated assets and liabilities are translated using the exchange rates at the end of each reporting period. Results of foreign operations are translated at the weighted average exchange rate for each reporting period. Translation adjustments are included as a component of accumulated other comprehensive income (loss) until realized. Where amounts denominated in a foreign currency are converted into US dollars by remittance or repayment, the realized exchange differences are included in the accompanying Combined Statements of Operations and Comprehensive Income, primarily in general and administrative expense, and was immaterial in all periods presented.

Cash and Restricted Cash

Cash consists of cash held on deposit. Restricted cash includes securitized cash held on deposit in Company accounts related to the Securitization Transaction.

Cash and restricted cash consists of the following:

As of December 31,	2024	2023
Cash	$ 2,499	$ 3,171
Restricted Cash:		
Whole business securitization	4,037	1,566
Total cash and restricted cash	$ 6,536	$ 4,737

The Company maintains its cash in banks in which deposits may, from time to time, exceed federally insured limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risks related to cash.

2. Securitization Transactions

On March 25, 2021, the Manager, a Non-Securitization Entity, contributed to the Company through a series of asset transfers to the Securitization Entities, substantially all of the US intellectual property, including tradenames, franchise agreements, national account relationships and systems-in-place and the UK tradenames. The Manager, certain Securitization Entities and the SPV Franchisors entered into license agreements pursuant to which they granted, respectively, to certain Non-Securitization Entities (i) a non-exclusive license to use and sublicense the Securitization IP in connection with owning and operating certain company-owned store locations, UK locations and Canadian locations and (ii) an exclusive license to use and sublicense the Securitization IP in connection with other products and services.

The Company received a cash capital contribution in January 2022 of $102,000 which the Company used to acquire $102,000 in intangible assets. Also in January 2022, the Company received a non-cash capital contribution of $13,456, consisting of $10,862 in property and equipment, $2,082 in intangible assets, and $512 in inventories. In March 2022, the Company received a non-cash contribution of $1,214, consisting of $1,169 in property and equipment and $45 in inventories. In December 2022, the Company received a non-cash contribution of $2,112 in intangible assets from the Manager.

In January 2023, the Company received a non-cash contribution of $101,756, consisting of $99,349 in intangible assets, $3,600 in accounts receivable, $2,241 in property and equipment, $280 in inventories, and an unearned revenue liability, net of prepaid selling expenses, of $3,714.

The contributions of the Securitization Assets are between entities under common control and are recorded at book value as of the unaudited interim date. No gain or loss has been realized on the transactions.

The Issuer is dependent on the Company for sufficient cash flows from their securitized operations to service the Series 2021-1, Series 2022-1, and Series 2023-1 Senior Notes (see Note 3), remit management fees to the Manager, and pay certain other ongoing costs related to the Securitization Transaction.

3. Debt Guarantee

In conjunction with the Securitization Transaction, on March 25, 2021, the Issuer issued $800,000 Series 2021-1 3.584% Fixed Rate Senior Secured Notes (the "Series 2021-1 Senior Notes"). The Senior Notes have an anticipated repayment date of April 30, 2028, and a final maturity date of April 30, 2051. Scheduled principal payments of $2,000 and interest are paid quarterly. As of December 31, 2024 and 2023, $772,000 and $780,000, respectively, was outstanding on the Senior Notes.

On January 19, 2022, in connection with a second securitization, the Issuer, issued $410,000 Series 2022-1 3.695% Fixed Rate Senior Secured Notes (the "Series 2022-1 Senior Notes") through a second whole business securitization transaction (the "Second Securitization Transaction"). The Series 2022-1 Senior Notes have an anticipated repayment date of January 30, 2029, and a final maturity date of January 30, 2052. Scheduled principal payments of $1,030 and interest are paid quarterly. As of December 31, 2024 and 2023, respectively, $398,725 and $402,825, was outstanding on the Series 2022-1 Senior Notes.

On February 3, 2023, in connection with a third securitization, the issuer, issued $275,000 Series 2023-1 7.308% Fixed Rate Senior Secured Notes (the "Series 2023-1 Senior Notes") through a third whole business securitization transaction (the "Third Securitization Transaction"). The Series 2023-1 Senior Notes have an anticipated repayment date of January 30, 2028, and a final maturity date of January 30, 2053. Scheduled principal payments of $687and interest are paid quarterly. As of December 31, 2024 and 2023 respectively, $270,188 and $272,938 was outstanding on the Series 2023-1 Senior Notes.

The Series 2021-1 Senior Notes, the Series 2022-1 Senior Notes, the Series 2023-1 Senior Notes, the Series 2021-1 Class A-1 Notes, the Series 2022-1 Class A-1 Notes, and the Series 2023-1 Class A-1 Notes described above issued in conjunction with the Securitization Transaction, the Second Securitization Transaction, and the Third Securitization Transaction (together, the "Securitization Transactions") are secured by substantially all assets of the Securitization Entities and guaranteed by the Securitization Entities, including the Company, each of which is a bankruptcy remote entity and which owned substantially all of the Manager's US intellectual property including tradenames, franchise agreements, national account relationships and systems-in-place, as well as the UK tradenames as of the date of issuance. The restrictions placed on the Issuer and its subsidiaries require that interest and scheduled principal payments on the Senior Notes and Class A-1 Notes be paid prior to any residual distributions to the Manager, and amounts are segregated weekly to ensure appropriate funds are reserved to pay the quarterly interest and scheduled principal amounts due. The amount of weekly cash flow that exceeds all expenses and obligations of the Issuer and its subsidiaries is generally remitted to the Manager in the form of a distribution. The Manager also receives a fee for the services it provides to the Securitization Entities that is senior to debt service. The Securitization Transaction requires, among other things, maintenance of minimum debt-service coverage ratio levels and additional incurrence of indebtedness and scheduled amortization requirements are subject to compliance with maximum leverage ratio levels. As of December 31, 2024 and 2023, the Issuer was in compliance with all debt-service coverage covenants.

4. Intangible Assets and Goodwill

On March 25, 2021, intangible assets were contributed to the Company, along with certain dates thereafter as discussed in Note 1. Each of the SPV Franchisors are wholly owned subsidiaries and there was no change in ultimate ownership. Accordingly, there has been no change in control and therefore the Company concluded that the guidance in ASC 805 Business Combinations was not applicable. Intangible assets were recorded at the carrying value from the contributing entities on the date of the contribution, as the entities are under common control. Upon the acquisition by KKR (see Note 1), and the Company's election to apply pushdown accounting, the intangible assets were recorded at their acquisition-date fair values.

Intangible assets as of December 31, 2024, consisted of the following:

	Useful Life	Gross Amount	Accumulated Amortization	Net Amount
Tradenames	20 years	$ 968,277	$ 156,717	$ 811,560
Franchise relationships	15 years	552,020	121,954	430,066
National accounts	15 years	2,530	497	2,032
Customer relationships	5 years	12,400	5,787	6,613
Developed technology	3 years	720	631	89
Total definite-lived intangibles		$ 1,535,947	285,586	$ 1,250,360

	Useful Life	Gross Amount	Accumulated Impairment	Net Amount
Domain name	Indefinite	$ 1,314	-	$ 1,314
Total indefinite-lived intangibles		$ 1,314	$ -	$ 1,314

Intangible assets as of December 31, 2023, consisted of the following:

	Useful Life	Gross Amount	Accumulated Amortization	Net Amount
Tradenames	20 years	$ 968,512	$ 107,087	$ 861,425
Franchise relationships	15 years	551,918	85,051	466,867
National accounts	15 years	2,521	320	2,201
Customer relationships	5 years	11,573	2,480	9,093
Developed technology	3 years	702	418	284
Total definite-lived intangibles		$ 1,535,226	195,356	$ 1,339,870

	Useful Life	Gross Amount	Accumulated Impairment	Net Amount
Domain name	Indefinite	$ 1,314	-	$ 1,314
Total indefinite-lived intangibles		$ 1,314	$ -	$ 1,314

Amortization expense was $89,241 and $92,198 for the years ended December 31, 2024 and 2023, respectively.

Estimated amortization expense for the subsequent five years is as follows:

Years ending December 31,	
2025	$ 87,927
2026	87,838
2027	87,011
2028	85,358
2029	85,358
Thereafter	816,868
	$ 1,250,360

Goodwill

The Company has assigned goodwill to its reporting units based on fair valuation analysis completed for the acquisition of the Manager by KKR.

The changes in the carrying amount of goodwill are as follows:

Balance as of December 31, 2022	$	1,728,584
Adjustment to goodwill for unrealized gain/loss on foreign currency		4,069
Balance as of December 31, 2023	$	**1,732,653**
Adjustment to goodwill for unrealized gain/loss on foreign currency		(1,365)
Balance as of December 31, 2024	**$**	**1,731,288**

5. Member's Equity

Neighborly Assetco LLC ("the Limited Liability Company") was formed pursuant to and in accordance with the Delaware Limited Liability Company Act (6 Del.C. §18-101, et seq.), as amended from time to time (the "Act").

The Limited Liability Company is governed by a Limited Liability Company Agreement in which management of the Company is vested in the member ("the Member"), the Manager, who has all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of Delaware. The Member has the authority to bind the Company.

The Member may appoint officers of the Company and may revoke delegated authorities and duties at any time by the Member.

The Limited Liability Company is capitalized with a single membership unit with a $1 per unit par value.

Pursuant to the Management Agreement, excess cash collections after distributions to the Issuer for quarterly interest and scheduled principal payments, expense reimbursements to the Manager and payment of management fees, are distributed to the Manager, as discussed in Note 8. The Member's equity is the residual of equity contributions from the Manager and income earned from operations, less distributions to the Issuer and Manager.

The Company shall dissolve, and its affairs be wound up upon the first to occur of the following: (i) the written consent of the Member, (ii) the retirement, resignation or dissolution of the Member or the occurrence of any other event which terminates the continued membership of the Member in the Company unless the business of the Company is continued in a manner permitted by the Act, or (iii) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

6. Trade Notes Receivable

The Company periodically receives notes from the sale of new franchises. The rights to the related franchise territory sold generally collateralize these notes. The Company also from time-to-time

receives notes for delinquent franchise service fees. Such notes, as of December 31, 2024 and 2023, bear interest at rates typically ranging from 9% to 12% and generally require equal monthly installments over a life of one to ten years. Initial trade notes receivable for the respective SPV Franchisors were contributed to the Company as of March 31, 2021 by the Manager and subsequently at various dates thereafter. As the contribution was between entities under common control, the notes receivable transferred were recorded at their historical cost basis in the financial records of the Manager.

A summary of trade notes receivable as of December 31 is as follows:

	2024	2023
Amounts due within one year, net of allowance for credit losses of $167 and $89 as of December 31, 2024 and 2023, respectively	$ 7,445	$ 9,530
Amounts due after one year, net of allowance for credit losses of $299 and $474 as of December 31, 2024 and 2023, respectively	13,332	15,221
Total trade notes receivable, net	$ 20,777	$ 24,751

An analysis of the changes in trade notes receivable is as follows:

For the years ended December 31,	2024	2023
Balance at beginning of period	$ 25,314	$ 26,275
Notes receivable, contributed, net	-	1,652
Principal payments received	(17,158)	(16,293)
Notes issued	14,803	15,050
Net write-offs	(1,727)	(1,370)
Other	10	-
Gross trade notes receivable, at end of period	21,242	25,314
Allowance for credit losses	(465)	(563)
Net trade notes receivable, at end of period	$ 20,777	$ 24,751

An analysis of the changes in the trade notes receivable allowance is as follows:

For the years ended December 31,	2024	2023
Allowance, beginning of period	$ 563	$ 545
Provisions for bad debts	1,630	1,382
Net write-offs	(1,727)	(1,364)
Allowance, end of period	$ 465	$ 563

Scheduled future maturities of trade notes receivable are as follows:

Years ending December 31,	
2025	$ 7,612
2026	3,999
2027	2,820
2028	2,907
2029	1,980
Thereafter	1,924
	$ 21,242

7. Property and Equipment

A summary of property and equipment as of December 31 is as follows:

		2024		2023
Machinery and equipment	$	**8,448**	$	6,303
Software		**11,172**		11,035
Vehicles		**10,479**		9,614
Total property and equipment		**30,099**		26,952
Less accumulated depreciation		**(13,378)**		(8,173)
Property and equipment – net	$	**16,721**	$	18,779

Depreciation expense was $6,291 and $5,092 for the years ended December 31, 2024 and 2023, respectively.

8. Related Party Transactions

The Company has material ongoing transactions with the Manager and other direct and indirect subsidiaries of the Manager.

Related parties, some of which are outside the United States, pay the Company, or its subsidiaries, a synthetic royalty or license fee for access to and use of their intellectual property, none of which are denominated in a foreign currency. Synthetic royalties and master license fees from affiliated entities were $28,241 and $28,705 for the years ended December 31, 2024 and 2023, respectively.

As discussed in Note 2, the Securitized Entities entered into the Management Agreement with the Manager to perform certain services on behalf of the Securitized Entities. In exchange for the services, the Securitized Entities pay a management fee for each 12-month period equal to the sum of (i) an annual base management fee of $8,000, plus (ii) a fee of $12.425 for every $100 of aggregate total securitization revenues in the form of collections for the applicable period.

The Company incurred management fees of $47,126 and $44,075 for the years ending December 31, 2024 and 2023, respectively.

Costs of products and services as well as advertising and promotion fund expenses are reimbursed by the Company to the Manager.

Excess cash collections after distributions to the Issuer for quarterly interest and scheduled principal payments, expense reimbursements to the Manager and payment of management fees, are distributed to the Manager. Distributions were $248,790 and $265,744 for the years ended December 31, 2024 and 2023, respectively.

9. Contingencies

The Company is engaged in various legal proceedings incidental to its normal business activities. Management has determined that it is not probable that the Company has incurred any loss contingencies as defined in FASB ASC Topic 450, Contingencies. Accordingly, no liabilities have been accrued for these matters as of December 31, 2024 and 2023.

Management believes that the outcome of such matters will not have a material effect on the Company's combined financial statements.

10. Subsequent Events

In preparation of its financial statements, the Company considered subsequent events through March 31, 2025, which was the date the Company's financial statements were available to be issued.

Neighborly Company and Subsidiaries

Consolidated Financial Statements
As of December 31, 2025 and 2024 and
for the years ended December 31, 2025 and 2024

Neighborly Company and Subsidiaries

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Report of Independent Auditors

To the Board of Directors and Stockholders of
Neighborly Company and subsidiaries

Opinion

We have audited the consolidated financial statements of Neighborly Company and subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than

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for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Ernst & Young LLP

Dallas, Texas
March 31, 2026

Neighborly Company and Subsidiaries
Consolidated Balance Sheets
($000's, except share data)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash	$ 32,023	$ 18,436
Restricted cash	26,533	28,077
Trade accounts receivable – net	48,222	44,747
Trade notes receivable - current portion – net	7,675	7,776
Income tax receivable	3,121	9,231
Prepaid expenses and other current assets	8,193	14,608
Assets held for sale	7,023	-
Total current assets	132,790	122,875
Property and equipment - net	76,554	92,158
Operating lease right of use assets	14,849	20,221
Prepaid and other non-current assets	22,413	21,654
Trade notes receivable - net	13,076	13,577
Intangible assets – net	1,238,191	1,327,052
Goodwill	1,575,760	1,739,179
Total Assets	**$ 3,073,633**	$ 3,336,716
Liabilities and Stockholder's Equity		
Current liabilities:		
Trade accounts payable	$ 16,191	$ 17,856
Accrued liabilities	61,121	48,074
Deferred revenue - current	17,043	18,215
Income tax payable	1,495	-
Current portion of long-term debt	9,858	10,051
Current portion of operating lease liabilities	4,045	5,401
Current portion of finance lease liabilities	5,594	5,941
Liabilities held for sale	8,649	-
Total current liabilities	123,996	105,538
Long-term debt	1,516,490	1,571,110
Operating lease liabilities	11,283	15,639
Finance lease liabilities	6,758	10,278
Deferred tax liabilities	150,279	199,638
Deferred revenue	73,177	74,718
Other non-current liabilities	276	1,616
Total liabilities	1,882,259	1,978,537
Commitments and contingencies (Note 11)	-	-
Stockholders' equity		
Common stock-par value $0.01 per share; 100 shares authorized, issued and outstanding	-	-
Additional paid-in capital	1,935,266	1,933,936
Accumulated deficit	(714,363)	(528,523)
Accumulated other comprehensive loss	(29,529)	(47,234)
Total stockholders' equity	1,191,374	1,358,179
Total Liabilities and Stockholder's Equity	**$ 3,073,633**	$ 3,336,716

See accompanying notes to consolidated financial statements

Neighborly Company and Subsidiaries
Consolidated Statements of Operations and Comprehensive Income (Loss)
($000's)

	Year Ended December 31,	
	2025	**2024**
Net sales		
Franchise service fees and related revenue	$ 384,916	$ 342,945
Sales of products and services	233,846	282,737
Total net sales	618,762	625,682
Cost of products and services	139,465	174,140
Gross profit	479,297	451,542
Selling expense	27,850	26,173
General and administrative expense	225,451	213,182
Advertising and promotional fund expense	63,500	61,482
Depreciation and amortization	128,839	123,676
Loss on impairment	182,616	-
Credit losses	4,436	3,810
Operating (loss) income	(153,395)	23,219
Interest expense	79,773	70,278
Loss before income taxes	(233,168)	(47,059)
Income tax benefit	(47,328)	(7,941)
Net loss	**(185,840)**	(39,118)
Other comprehensive income (loss)		
Foreign currency translation adjustment, net of tax of $4,426 and $1,070	13,279	(3,208)
Total other comprehensive income (loss)	13,279	(3,208)
Comprehensive loss	**$ (172,561)**	$ (42,326)

See accompanying notes to consolidated financial statements

Neighborly Company and Subsidiaries
Consolidated Statement of Changes in Stockholders' Equity
($000's, except share data)

	Common Stock		Additional Paid - In	Accumulated	Accumulated Other Comprehensive	
	Shares	Amount	Capital	Deficit	Income (Loss)	Total
Balance at December 31, 2023	100	$ -	$ 2,100,435	$ (489,405)	$ (42,956)	$ 1,568,074
Contribution to Equity	-	-	575	-	-	575
Distribution to parent	-	-	(170,204)	-	-	(170,204)
Non-cash equity-based compensation expense	-	-	3,130	-	-	3,130
Currency translation adjustment	-	-	-	-	(4,278)	(4,278)
Net loss	-	-	-	(39,118)	-	(39,118)
Balance at December 31, 2024	100	$ -	$ 1,933,936	$ (528,523)	$ (47,234)	$ 1,358,179
Non-cash equity-based compensation expense	-	-	1,330	-	-	1,330
Currency translation adjustment	-	-	-	-	17,705	17,705
Net loss	-	-	-	(185,840)	-	(185,840)
Balance at December 31, 2025	**100**	**$ -**	**$ 1,935,266**	**$ (714,363)**	**$ (29,529)**	**$ 1,191,374**

See accompanying notes to consolidated financial statements

Neighborly Company and Subsidiaries
Consolidated Statement of Cash Flows
($000's unless otherwise noted)

	Year Ended December 31, 2025	2024
Operating activities		
Net loss	$ (185,840)	$ (39,118)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	128,839	123,676
Amortization of deferred financing costs	5,037	4,409
Loss on impairment	182,616	-
Credit losses	4,436	3,810
Notes received	(15,638)	(14,978)
Collection of notes receivable	14,770	17,660
Loss on disposal of assets	4,078	3,589
Deferred income tax	(50,875)	(20,651)
Equity-based compensation	1,330	3,130
Changes in assets and liabilities:		
Trade accounts receivable	(7,722)	(2,848)
Prepaid selling expenses and other assets	4,702	(4,064)
Trade accounts payable	(2,489)	1,907
Accrued liabilities	14,948	(9,729)
Change in operating lease assets & liabilities	(142)	(181)
Income tax payable	7,784	(7,352)
Deferred revenue and other liabilities	(4,389)	1,240
Net cash provided by operating activities	101,445	60,500
Investing activities		
Proceeds from asset dispositions	1,033	-
Purchase of property, equipment and other assets	(23,421)	(25,719)
Net cash used in investing activities	(22,388)	(25,719)
Financing activities		
Equity contribution	-	575
Distributions paid	-	(170,204)
Deferred financing costs paid	-	(3,241)
Payments on revolving credit	(55,000)	(25,000)
Proceeds from revolving credit	10,000	158,000
Payments on principal portion of finance lease liabilities	(5,466)	(4,749)
Payments on long-term borrowings	(14,850)	(14,850)
Net cash used in financing activities	(65,316)	(59,469)
Effect of exchange rate changes on cash and restricted cash	(1,698)	(851)
Net increase in cash and restricted cash	12,043	(25,539)
Cash and restricted cash - Beginning of period	$ 46,513	$ 72,052
Cash and restricted cash - End of period	$ 58,556	$ 46,513
Supplemental cash flow disclosures:		
Cash paid for income taxes, net of refunds	$ (4,721)	$ 16,770
Cash paid for interest	$ 72,821	$ 65,052

See accompanying notes to consolidated financial statements

1. Organization and Description of Business

Organization and Description of Business

Neighborly Company and Subsidiaries ("we", "our", "Neighborly" and the "Company") is a Delaware corporation and is the parent company of a number of franchisors and related supporting businesses operating in the United States (the "US") and internationally which include the following companies: Mr. Rooter, Rainbow International, Mr. Electric, Aire Serv, Mr. Appliance, Glass Doctor, Grounds Guys, Molly Maid, Mr. Handyman, Five Star Painting, Mosquito Joe, Real Property Management, Window Genie, HouseMaster, Dryer Vent Wizard, ShelfGenie, Precision Door Service, Restoration 1, Junk King, Lawn Pride, ZorWare, Pimlico Plumbers, Drain Doctor, Locatec, Countrywide, Bright and Beautiful, Dream Doors, Greensleeves, and ProTradeNet. Pimlico Plumbers transitioned to a franchise model from a company owned model in June 2025, shifting the nature of the revenue to franchise service fees as opposed to sales of products.

In addition, the Company owns and operates non-franchisor entities as follows: Portland Glass, which offers auto, home, and business glass repair and replacement through company owned stores located in Maine, Vermont, and New Hampshire; Plumb Enterprises, which offers full plumbing, drain and sewer cleaning services, excavation, and repairs primarily operating in Colorado; and Lawn Pride, which offers lawn care and maintenance services through the application of fertilizer, as well as pest control, in Indiana.

Acquisition of the Company

On June 29, 2021, Kohlberg Kravis and Roberts ("KKR"), and associated co-investors formed Nest Bidco Inc. which, on September 1, 2021, purchased 100% of the shares of Balcones Holdco, Inc., the parent company of Neighborly, from TDG Investment Holdings, LP. Nest Bidco Inc. is an indirectly wholly owned subsidiary of Nest Holdings LP, which is the ultimate parent company of the newly formed business. The transaction was effected to add Neighborly to KKR's investment portfolio.

2. Summary of Significant Accounting Policies

Recently Issued Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," (ASU No. 2023-09) which requires disclosure of disaggregated information about a reporting entity's effective tax rate reconciliation as well as disclosures on income taxes paid by jurisdiction. ASU No. 2023-09 is effective for annual periods beginning after December 15, 2025 for nonpublic companies. The guidance is required to be applied on a prospective basis, with the option to apply the standard retrospectively. Early adoption is permitted. Management is currently evaluating the impact of this guidance on the Company's consolidated financial statements and related disclosures and will adopt as required in 2026.

In January 2024, the FASB issued ASU No. 2024-01, "Scope Application of Profits Interest and Similar Awards." This update clarifies that profits interests and similar awards granted to employees as compensation for services are within the scope of ASC Topic 718 (Compensation—Stock Compensation). The amendments in this update are effective for fiscal years beginning after December 15, 2025 for nonpublic companies, including interim periods within those fiscal years, with early adoption permitted. The Company is required to apply these amendments on a modified

retrospective basis to awards outstanding at the beginning of the fiscal year of adoption, with cumulative-effect adjustments to retained earnings. Management is currently evaluating the impact of this guidance on the Company's consolidated financial statements and related disclosures.

Principles of Consolidation and Variable Interest Entities

The accompanying consolidated financial statements as of December 31, 2025 and 2024 include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

FASB Accounting Standards Codification (ASC) Topic 810-10, Consolidation, applies to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. Such an entity is referred to as a variable interest entity ("VIE"). FASB ASC Topic 810-10 requires the consolidation of a VIE by its primary beneficiary. The primary beneficiary is the entity, if any, that has the power to direct activities of a VIE that most significantly impact the VIE's economic performance and has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE.

Neighborly Assetco LLC ("Assetco") is a direct, wholly owned subsidiary of Neighborly Issuer LLC (the "Issuer"), which is a special purpose Delaware limited liability company and a direct, wholly owned subsidiary of Neighborly SPV Guarantor LLC (the "SPV Guarantor"), which is a special purpose Delaware limited liability company that is an indirect, wholly owned subsidiary of Neighborly (the "Manager").

Assetco's subsidiaries are comprised of a number of franchisors and related supporting businesses operating in the US and internationally and include the following businesses: Aire Serv SPV LLC, Mr. Electric SPV LLC, The Grounds Guys SPV LLC, Rainbow International SPV LLC, Glass Doctor SPV LLC, Mr. Appliance SPV LLC, Mr. Rooter SPV LLC, Molly Maid SPV LLC, Mr. Handyman SPV LLC, Five Star Painting SPV LLC, Window Genie SPV LLC, Real Property Management SPV LLC, Mosquito Joe SPV LLC, HouseMaster SPV LLC, Dryer Vent Wizard SPV LLC, ShelfGenie SPV LLC, Precision Door Service SPV LLC, Junk King SPV LLC, and Lawn Pride SPV LLC (each an "SPV Franchisor" and together the "SPV Franchisors") and ProTradeNet SPV LLC, Neighborly Service Solutions SPV LLC, Back Office SPV LLC, G-O Manufacturing SPV LLC, Zorware SPV LLC, NBLY Co Ops CO SPV LLC, NBLY Co Ops WA SPV LLC, NBLY Co Ops AZ SPV LLC, NBLY Co Ops IN SPV LLC, Trench Right SPV LLC, Trench Right WA SPV LLC, Dig Boss SPV LLC, NBLY Logistics SPV LLC, and Pimlico SPV Limited (each a "Non-Franchisor SPV Entity" and together the "Non-Franchisor SPV Entities"), each of which is a direct, wholly owned subsidiary of Assetco.

Assetco holds all the equity interests in the SPV Franchisors and the Non-Franchisor SPV Entities, certain intellectual property, certain license agreements and certain vendor agreements. Each SPV Franchisor holds the tradenames and the franchise agreements related to such brand and any product supply agreements or vendor agreements related to such brand. The Non-Franchisor SPV Entities hold certain tradenames, product supply agreements, vendor agreements and office service agreements.

Neighborly SPV Guarantor LLC, Neighborly Issuer LLC, and Neighborly Assetco LLC (collectively with the SPV Franchisors and the Non-Franchisor SPV Entities are referred to as "Securitization Entities") were formed in connection with a financing transaction (the "Securitization Transaction"), which was completed on March 25, 2021 and on subsequent dates thereafter (see Note 3).

The Company has determined that the Securitization Entities qualify as VIE's and that Neighborly is the primary beneficiary, having both power and benefits, of the Securitization Entities and accordingly, consolidation is concluded.

Use of Estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition, Accounts Receivable, Notes Receivable, and Allowances

The Company's primary sources of revenue are as follows:

- Franchise service fees and related revenue include fees from existing franchise owners based on a percentage of each franchise owner's gross sales, which generally range from 2% to 15% of the franchise owner's gross sales, as well as fees for franchise sales generated from the sale of new and existing franchise territories; and

- Sales of products and services to unrelated third parties.

Franchise service fees and related revenue

Typically, franchise agreements are granted to franchise owners for an initial term of ten years with an option to renew. Our performance obligations under franchise agreements consist of providing a license of our brand's intellectual property, a list of approved suppliers, certain training programs, an operations manual, and to maintain the marketing, advertising and promotional (MAP) fund. These performance obligations are highly interrelated and we do not consider them to be individually distinct, and therefore account for them as a single performance obligation, which collectively represent the obligation to provide a license for the right to use our brand's intellectual property. Revenue related to franchise sales agreements is recognized on a straight-line basis over the term of the agreement and the contract liabilities are recorded in Deferred revenue – current and Deferred revenue in the Consolidated Balance Sheets. Other revenue associated with the franchise agreements includes variable or sales-based royalties and services and MAP fund fees collected, which are recognized as the underlying sales occur and performance obligations are satisfied.

In the event a franchise agreement is terminated, without a corresponding agreement executed by the same franchise owner, any remaining deferred fees as well as applicable termination fees are recognized in the period of termination.

The Company at times extends credit to entities for the purchase of franchises. These entities are typically controlled by individuals who operate their franchise as an owner/manager. Generally, the trade notes receivables are collateralized by the related franchise territory rights. The Company also periodically extends unsecured credit to its franchise owners for unpaid franchise service fees. The Company places notes receivable on nonaccrual status when payment is ninety days past due and ceases to recognize revenue from interest on the note until such time as the note receivable is no longer past due. Interest on trade notes receivable is recorded as Franchise service fees and

related revenue when earned. Each entity's ability to perform is dependent upon the economic condition of the business. The Company maintains ongoing credit evaluations of its franchise owners.

Allowances for expected credit losses is required on financial instruments based on the total estimated amount to be collected over the lifetime of the instrument. The Company considers both current conditions and reasonable and supportable forecasts of future conditions for estimating expected credit losses. Current conditions considered include pre-defined aging criteria, as well as specified events that indicate the balance due is not collectible. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available macroeconomic data and whether future credit losses are expected to differ from historical losses.

Franchise service fee revenues represent sales-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized in the period in which the sales occur. Sales-based royalties are variable consideration related to our performance obligations to our franchise owners to maintain the intellectual property being licensed.

We have determined we act as the principal in the transaction related to the MAP fund contributions and expenditures. MAP fund contributions and expenditures are reported in the accompanying Consolidated Statements of Operations and Comprehensive Income (Loss) as Franchise service fees and related revenue. Our obligation is to administer the MAP fund, keep unused MAP fees in segregated bank accounts which are classified as restricted cash on the Consolidated Balance Sheet and use MAP fees for certain activities related to the marketing and promotion of the individual brands. As noted above, we have concluded the advertising services provided to franchise owners are highly interrelated with the franchise rights and not a distinct performance obligation; therefore, revenues from MAP fund fees are recognized as advertising and promotion fund revenue when the related sales occur based on the application of the sales-based royalty exception within ASC 606, Revenue from Contracts with Customers.

Sales of products and services

Revenues from product sales are recorded in Sales of products and services and recognized upon transfer of title, when delivered to the customer, when the work is performed, or orders are shipped.

Pimlico Plumbers transitioned to a franchise model from a company owned model in June 2025, shifting the nature of the revenue to franchise service fees as opposed to sales of products and services. The result was a decline from 2024 to 2025 of $31,610 in Sales of Products and Services and increase of $14,858 in Franchise service fees and related revenue. Corresponding to this change, Cost of products and services declined $18,805 in 2025 with the net impact to Gross profit of an increase of $2,053 over 2024 on the Company's Consolidated Statement of Operations and Comprehensive Income (Loss).

Contract Balances

The contract liabilities, which we classify as Deferred revenue – current and Deferred revenue, consist primarily of the unamortized portion of initial franchise fees that will be recognized into Franchise service fees and related revenue over the applicable contract terms, amounts related to pending franchise agreements, or other deferred revenues not related to franchise agreements. Contract deferred franchise revenue represents our remaining performance obligations to our franchise owners, as we account for our highly interrelated obligations as a single performance obligation, which collectively represent the obligation to provide a license for the right to use our

brand's intellectual property excluding amounts of variable consideration related to sale-based royalties and advertising. Deferred revenues not related to the franchise agreements are included in current deferred revenue as we expect to recognize these amounts as revenue within the next 12 months.

The components of the change in deferred revenue are as follows:

	Year Ended December 31,	
	2025	2024
Balance at beginning of period	$ 92,933	$ 91,610
Fees received from franchise owners	38,690	37,203
Franchise sales revenue recognized	(40,158)	(35,122)
Other changes in deferred revenue	(1,245)	(758)
Balance at end of period	90,220	92,933
Less: current portion	17,043	18,215
Deferred revenue non-current	$ 73,177	$ 74,718

Revenue deferred as of December 31, 2024 and recognized in the period from January 1, 2025 through December 31, 2025 was $25,430. Revenue deferred as of December 31, 2023 and recognized in the period from January 1, 2024 through December 31, 2024 was $17,623.

As of December 31, 2025, the deferred revenue expected to be recognized for each of the next five years and in the aggregate is as follows:

Years ending December 31,	
2026	$ 17,043
2027	13,181
2028	12,479
2029	11,132
2030	9,756
Thereafter	26,629
	$ 90,220

Direct, incremental selling expenses incurred when the franchise agreement is executed are recorded as a contract asset and amortized over the life of the agreement consistent with the recognition of the deferred revenue. Contract assets are included in Prepaid and other current assets and Prepaid and other non-current assets in the accompanying Consolidated Balance Sheets and the amortization is included in Selling expense in the accompanying Consolidated Statements of Operations and Comprehensive Income (Loss). For the year ended December 31, 2025, $7,967 of costs were paid and Selling expense of $8,282 was recognized. For the year ended December 31, 2024, $7,736 of costs were paid and Selling expense of $6,175 was recognized.

The ending asset for deferred contract costs as of December 31, 2025 was $24,459, of which $3,763 was current. The ending asset for deferred contract costs as of December 31, 2024 was $24,622, of which $4,726 was current.

Advertising

The Company expenses advertising costs as incurred. Advertising expense was $26,313 and $23,200 for the years ended December 31, 2025 and 2024, respectively. Advertising expense is included in General and administrative expense in the accompanying Consolidated Statements of Operations and Comprehensive Income (Loss). Advertising expense is separate from MAP fees which are presented in Advertising and promotional fund expense in Consolidated Statements of Operations and Comprehensive Income (Loss).

Inventories

Inventories consist of products to be sold and are stated at the lower of cost (first-in, first-out method) or net realizable value and are reported in Prepaid and other current assets in the accompanying Consolidated Balance Sheets. Inventories were $2,803 and $3,776 as of December 31, 2025 and 2024, respectively.

Property and Equipment

With the exception of land, which is not depreciated, property and equipment is stated at cost and is depreciated using the straight-line method over the estimated useful lives of the respective assets which are generally as follows: buildings (30 years) and building improvements (5-15 years), capped at the lesser of life of the leasehold improvements or remaining lease life; machinery, equipment, and vehicles (5-10 years); furniture and fixtures (5 years); and hardware and software (3 years). Additions, renewals, and betterments are capitalized; maintenance and repairs which do not extend the useful life of the asset are expensed as incurred.

Management evaluates long-lived assets used in operations for impairment when indicators of impairment are present. If the sum of the estimated undiscounted future cash flows related to the asset is less than the carrying amount, we recognize a loss equal to the difference between the carrying amount and the fair value, usually determined by the estimated discounted cash flow analysis of the asset. The Company's evaluation of these long-lived assets indicated that certain assets within a single asset group were not recoverable as the carrying value exceeded the estimated fair value of the assets based on the undiscounted future cash flows. The Company recorded an impairment charge of $6,016 for the year ended December 31, 2025 reducing the carrying value of the property and equipment with a corresponding charge to earnings. The impairment amount recognized in 2025 is classified in the Loss on impairment financial statement line item on the Consolidated Statement of Operation and Comprehensive Income (loss). No impairment losses were recorded for property and equipment in 2024.

Assets Held for Sale

We classify long-lived assets, or disposal groups comprised of assets and liabilities, as held for sale in the period in which the following six criteria are met, (i) management, having the authority to approve the action, commits to a plan to sell the property; (ii) the property is available for immediate sale in its present condition, subject only to terms that are usual and customary; (iii) an active program to locate a buyer and other actions required to complete the plan to sell have been initiated; (iv) the sale of the property is probable and is expected to be completed within one year; (v) the property is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (vi) actions necessary to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn, in accordance with ASC 360, Property, Plant and Equipment. A business classified as held for sale is recorded at the lower of its carrying amount or estimated fair value less cost to sell. If the carrying amount of

the business exceeds its estimated fair value less cost to sell, a loss is recognized. Assets and liabilities related to a business classified as held for sale are segregated in the current balance sheets in the period in which the business is classified as held for sale. The Company ceases depreciation and amortization on long-lived assets and definite-lived intangibles (or disposal groups) classified as held for sale and measures them at the lower of carrying value or estimated fair value less cost to sell.

At December 31, 2025, the Company made a decision to exit a certain portion of its business which management determined met the criteria of held for sale as defined under ASC 360. In accordance with ASC 205, Presentation of Financial Statements, the Company determined that the exit of this business did not represent a strategic shift that will have a major effect on the consolidated financial results. Therefore, any related financial results were not reported as discontinued operations. Although the exit of this business did not meet the criteria to be considered a discontinued operation, these assets were determined to meet the criteria to be classified as held for sale as of December 31, 2025, as the Company expects to complete the sale of these assets before December 31, 2026. Accordingly, the Company presented the assets and liabilities of this single disposal group as held for sale at the lower of its carry amount or estimated fair value less cost to sell in the 2025 Consolidated Balance Sheet. The Loss before income taxes for this component of the business was $203,760 for the year ended December 31, 2025, which includes $182,616 of Loss on impairment, and $10,161 for the year ended December 31, 2024 in the Consolidated Statements of Operation and Comprehensive Income (Loss).

The following table summarizes the major classes of assets and liabilities disclosed as held for sale, excluding goodwill and intangible assets that were fully impaired as of December 31, 2025, and discussed below in further detail.

	December 31, 2025
Trade accounts receivable	$ 2,309
Prepaid expenses and other current assets	1,576
Property and equipment - net	910
Operating lease right of use assets	2,228
Total assets held for sale	$ 7,023
Accrued liabilities	$ 2,199
Deferred revenue - current	110
Current portion of operating lease liabilities	528
Current portion of finance lease liabilities	2,514
Operating lease liabilities - less current portion	1,898
Finance lease liabilities - less current portion	1,399
Total liabilities held for sale	$ 8,648

Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired. The Company tests goodwill annually for impairment, or earlier if events or changes in circumstances indicate that impairment may exist. Management's impairment tests are generally performed as of October 1st annually. The Company's current goodwill balance resulted from the acquisition of the Company as of September 1, 2021, and from the Company's acquisitions in subsequent periods, as discussed in Note 1.

The Company performed a qualitative assessment of its goodwill as of October 1, 2025 and concluded that indicators of impairment were present for one of its reporting units due to deteriorating financial performance and management's strategic decision to exit this certain Company owned operations and transition the territories to a third-party franchise. The process considered the likelihood of future cash flows associated with the reporting unit and consideration expected to be received from an unrelated buyer in exchange for the assets and liabilities of the reporting unit. The Company concluded that the carrying value of one reporting unit exceeded its estimated fair value of that reporting unit. As a result, recorded a goodwill impairment charge of $170,988 in the year ended December 31, 2025, which was the entire amount of goodwill for that reporting unit. No goodwill impairment was recorded in 2024.

Intangible Assets

Intangible assets consist of tradenames, franchise relationships, national accounts, insurance company relationships, customer relationships, re-acquired franchise rights, developed technology, copyrights, and domain name, and are stated at their estimated fair value as of the date of acquisition, less subsequent amortization. The Company's intangible assets are definite-lived, other than domain name, which is indefinite-lived.

For definite-lived intangible assets, when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable, the Company evaluates the definite-lived intangible assets for impairment by comparing the carrying value to the anticipated future undiscounted cash flows expected to be generated from the use of the intangible assets. If the carrying amount is not recoverable, a loss is recorded in the amount the carrying value exceeds the fair market value of the assets. As a result the indicators previously discussed in *Goodwill* in 2025, the Company concluded that the carrying value of certain definite-lived intangible assets within a single asset group, primarily associated with franchise rights, were concluded to not be recoverable based on revised expectations for future operating performance and consideration expected to be received from an unrelated party in exchange for the assets and liabilities of the related disposal group. The Company recorded an impairment charge of $5,436 in the year ended December 31, 2025 which reflects the full amount of intangible assets associated with that asset group. The amount is classified in the Loss from impairment financial statement line item on the Consolidated Statement of Operation and Comprehensive Income (Loss) for the period ended December 31, 2025. No impairment was recorded in 2024.

Tradenames are amortized over their estimated useful life, which ranges from three years to 20 years, using the straight-line method. Franchise relationships, national accounts relationships, and insurance company relationships are amortized over their estimated useful lives of 15 years, using the straight-line method. Customer relationships are amortized over their estimated useful life of three to 10 years, using the straight-line method. Reacquired franchise rights are amortized over the remaining life of the reacquired agreements, between one to seven years, using the straight-line method. Copyrights are amortized over their estimated useful life of five years, using the straight-line method. Developed technology is amortized over their estimated useful life of three years, using the straight-line method.

Domain names are stated at their estimated fair value at the date of acquisition, and are not amortized, as their useful lives are considered indefinite, but are subject to annual impairment testing. The Company performed a qualitative assessment of its indefinite-lived intangible assets as of October 1 of 2025 and 2024 and concluded it is not more likely than not that the fair value of its domain names is less than the carrying amount and, as such, a quantitative impairment test was not considered necessary.

Income Taxes

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the consolidated financial statement carrying amounts of assets and liabilities and their respective tax basis. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in tax expense in the period that includes the enactment date.

The Company establishes valuation allowances in accordance with the provisions of FASB ASC Topic 740, Income Taxes. The Company reviews the adequacy of any valuation allowance and recognizes tax benefits only when it is more likely than not that the benefits will be realized.

The Company measures, classifies, and discloses uncertain tax benefits in accordance with FASB ASC Topic 740-10, Income Taxes-Overall. The Company has elected to classify interest and penalties related to uncertain tax benefits as a component of income tax expense.

Equity-based Compensation

The Company accounts for equity-based compensation under FASB ASC Topic 718, Compensation-Stock Compensation. This pronouncement requires the measurement of all equity-based payments to employees using a fair-value-based method and the recording of such expense in the accompanying Consolidated Statements of Operations and Comprehensive Income (Loss). The Company participates in an equity-based employee compensation plan, which is described further in Note 5.

Foreign Currency Translation

Consolidated entities that have a functional currency that differs from the Company's reporting currency include our foreign subsidiaries, which are in Canada, the United Kingdom (the "UK"), Germany and Austria. Foreign currency denominated assets and liabilities are translated using the exchange rates at the end of each reporting period. Results of foreign operations are translated at the weighted average exchange rate for each reporting period. Translation adjustments are included as a component of Accumulated other comprehensive income (loss) until realized. Where amounts denominated in a foreign currency are converted into US dollars by remittance or repayment, the realized exchange differences are included in the accompanying Consolidated Statements of Operations and Comprehensive Income (Loss), primarily in General and administrative expense, and was immaterial in all periods presented.

Cash and Restricted Cash

The Company considers all cash and highly liquid investments purchased with an initial maturity of three months or less to be cash or cash equivalents.

Cash consists primarily of cash on hand and cash on deposit. Restricted cash includes funds held for the MAP funds and securitized cash held for principal and interest payments on deposit related to the Securitization Transaction.

Cash and Restricted cash consist of the following:

	December 31,	
	2025	2024
Cash	$ 32,023	$ 18,436
Restricted cash:		
Whole business securitization	21,222	23,639
MAP funds	5,311	4,438
Total cash and restricted cash	$ 58,556	$ 46,513

The Company maintains its cash in banks in which deposits may, from time to time, exceed federally insured limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risks related to cash.

Fair Value of Financial Instruments and Non-financial Assets

In accordance with FASB ASC 820, Fair Value Measurements, certain assets and liabilities carried at fair value are categorized based on the level of judgment associated with the inputs used to measure their fair value. The standard establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 - Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date for the duration of the instrument's anticipated life.

Level 3 - Inputs are unobservable and therefore reflect management's best estimate of the assumptions that market participants would use in pricing the asset or liability.

As of December 31, 2025 and December 31, 2024, the Company's Cash, Restricted cash, Accounts payable and Accrued liabilities are carried at cost, which approximates fair value due to the short-term nature of each instrument and are classified as Level 1. The carrying values reported for trade accounts receivable and trade notes receivables, net of allowances, includes a degree of counterparty non-performance risk and are classified as level 2.

Rollover equity was valued using a combination of Level 2 observable inputs including EBITDA multiples of comparable public companies as well as discounted cash flow analysis of future projections in the period issued.

The Company's tradenames, systems in place, and developed technology were valued using the relief from royalty method and the franchise relationships, customer relationships, national account relationships, and insurance company relationships were valued using the multi-period excess earnings method in the periods acquired. Rollover equity was valued using a combination of Level 2 observable inputs including EBITDA multiples and comparable public company as well as discounted cash flow analysis of future projections in the period issued. The future projections and estimates used to fair value the assets acquired in acquisitions, as well as those used in our long-lived asset (including operating lease right of use assets), goodwill and intangible asset impairment testing, are considered Level 3 inputs.

The impairment charge of $182,616, recorded in connection with our decision to exit a business, was the result of measuring the disposal group at the lower of its carrying amount or fair value less costs to sell. The fair value of the disposal group was estimated using the expected price a market participant would pay based upon ongoing negotiations with an unrelated third party.

3. Debt Agreements

Through its wholly owned subsidiary, Neighborly Issuer LLC (the "Issuer"), the Company entered into the Securitization Transaction which was completed on March 25, 2021. In conjunction with the Securitization Transaction, the Issuer issued $800,000 Series 2021-1 3.584% Fixed Rate Senior Secured Notes (the "Series 2021-1 Senior Notes"). The Series 2021-1 Senior Notes have an anticipated repayment date of April 30, 2028, and a final maturity date of April 30, 2051. Scheduled principal payments of $2,000 and interest are paid quarterly. As of December 31, 2025 and 2024, the Series 2021-1 Senior Notes had $764,000 and $772,000 outstanding, respectively.

Additionally, the Securitization Transaction provided for a $10,000 variable rate Delayed Draw Class A-1-LR Senior Note ("Series 2021-1 Class A-1 Notes"), with a final maturity date of April 30, 2051, which is only available for limited purposes and may not be drawn by the Issuer. Interest on draws is paid weekly at the Secured Overnight Financing Rate (SOFR) plus 300 basis points. As of December 31, 2025 and 2024, no borrowings had been made on the Series 2021-1 Class A-1 Notes.

The Securitization Transaction also provided for a $30,000 variable rate Class A-1-VFN Senior Note (the "2021 VFN facility"), with a maturity date of April 30, 2026, and two one-year extension options. Interest on borrowings is paid quarterly at SOFR, plus 266 basis points. As of December 31, 2025 and 2024, $8,000 of borrowings were outstanding on the 2021 VFN facility and availability was $5,050. Issued and undrawn letters of credit under the 2021 VFN facility were $16,950 as of December 31, 2025 and 2024. Undrawn letters of credit under the 2021 VFN facility incur interest at a rate of 2.66%, which is payable quarterly. The Company considered the upcoming maturity of the 2021 VFN Facility and concluded it has the unilateral ability to extend the maturity date to April 2028 through the two one-year extensions, if certain conditions are met. The Company evaluated the conditions precedent and concluded they will be met throughout 2026; therefore, the Company will have the unilateral ability to extend and intends to execute the extensions prior to the next maturity date of April 30, 2026.

On January 19, 2022, the Company, through the Issuer, issued $410,000 Series 2022-1 3.695% Fixed Rate Senior Secured Notes (the "Series 2022-1 Senior Notes") through a second whole business securitization transaction (the "Second Securitization Transaction"). The Series 2022-1 Senior Notes have an anticipated repayment date of January 30, 2029, and a final maturity date of January 30, 2052. Scheduled principal payments of $1,025 and interest are paid quarterly. As of December 31, 2025 and 2024, the Series 2022-1 Senior Notes had $394,625 and $398,725 outstanding, respectively.

Additionally, the Second Securitization Transaction provided for a $4,000 variable rate Delayed Draw Class A-1-LR Senior Note (the "Series 2022-1 Class A-1 Notes"), with a final maturity date of January 30, 2052, which is only available for limited purposes and may not be drawn by the Issuer. Interest on draws is paid weekly at a rate equal to Prime plus 300 basis points. As of December 31, 2025 and 2024, no draws had been made on the Series 2022-1 Class A-1 Notes.

In conjunction with the Second Securitization Transaction, $10,353 in transaction fees were capitalized as deferred financing costs to be amortized over the anticipated term of the notes using the straight-line method, which material approximates the effective interest rate method. For the years ended December 31, 2025 and 2024, respectively, a total of $1,479 and $1,494 of previously

capitalized deferred financing costs related to the Second Securitization Transaction were amortized to Interest expense on the Consolidated Statements of Operations and Comprehensive Income (Loss). At December 31, 2025, capitalized deferred financing costs related to the Second Securitization Transaction of $4,423 remain unamortized, of which $1,464 is reflected as a reduction to Current portion of long-term debt and $2,959 is reflected as a reduction to Long-term debt on the Consolidated Balance Sheet.

On February 3, 2023, the Company, through its indirect, wholly owned subsidiary, Neighborly Issuer LLC, issued $275,000 Series 2023-1 7.308% Fixed Rate Senior Secured Notes (the "Series 2023-1 Senior Notes") through a third whole business securitization transaction (the "Third Securitization Transaction"). The Series 2023-1 Senior Notes have an anticipated repayment date of January 30, 2028, and a final maturity date of January 30, 2053. Scheduled principal payments of $687 and interest are paid quarterly. As of December 31, 2025 and 2024, the Series 2023-1 Senior Notes had $267,438 and $270,188 outstanding, respectively.

Additionally, the Third Securitization Transaction provided for a $5,025 variable rate Delayed Draw Class A-1-LR Senior Note (the "Series 2023-1 Class A-1 Notes"), with a final maturity date of January 30, 2053, which is only available for limited purposes and may not be drawn by the Issuer. On December 11, 2024, the Series 2023-1 Class A-1 Notes maturity date was amended to change to January 30, 2055. Interest on draws is paid weekly at a rate equal to SOFR plus 300 basis points. As of December 31, 2025, no draws had been made on the Series 2023-1 Class A-1 Notes.

The Third Securitization Transaction also provided for a $125,000 variable rate Class A-1-VFN Senior Note (the "2023 VFN facility"), with a maturity date of January 30, 2026, with two one-year extension options. Interest on borrowings is paid quarterly at SOFR, plus 350 basis points. As of December 31, 2025, the Company had borrowings outstanding of $30,000 on the 2023 VFN facility and had $95,000 of availability. As of December 31, 2024, borrowings outstanding on the 2023 VFN facility were $75,000, and availability was $50,000. The Company considered the upcoming maturity of the 2023 VFN Facility and concluded it has the unilateral ability to extend the maturity date to January 2028, if certain conditions are met. The Company completed the first of the two one-year extensions in January 2026 as the required conditions were met, extending the maturity to January 2027. The Company expects to continue to meet the conditions precedent and throughout 2026; therefore, the Company will have the unilateral ability to extend and intends to execute the extension prior to the next maturity date of January 30, 2027.

In conjunction with the Third Securitization Transaction, $14,177 in transaction fees were capitalized as deferred financing costs, to be amortized over the anticipated term of the notes using the effective interest method. For the years ended December 31, 2025 and 2024, $2,839 and $2,868 of previously capitalized deferred financing costs related to the Third Securitization Transaction were amortized to Interest expense on the Consolidated Statements of Operations and Comprehensive Income (Loss), respectively. At December 31, 2025, capitalized deferred financing costs related to the Second Securitization Transaction of $5,816 remain unamortized, of which $2,809 is reflected as a reduction to Current portion of long-term debt and $3,007 is reflected as a reduction to Long-term debt on the Consolidated Balance Sheet.

On December 11, 2024, the Company, through its indirect, wholly owned subsidiary, Neighborly Issuer LLC, entered into a $75,000 variable rate Class A-1-VFN Senior Note (the "2024 VFN Facility") through a fourth whole business securitization transaction (the "Fourth Securitization Transaction"). The 2024 VFN Facility has an anticipated repayment date of January 30, 2030 with two one-year extension options. Interest on borrowings is paid quarterly at SOFR, plus 240 basis points. As of December 31, 2025 and 2024, borrowings outstanding on the 2024 VFN facility were $75,000 for both years, and no availability.

In conjunction with the Fourth Securitization Transaction in 2024, $3,241 in transaction fees were capitalized as deferred financing costs in 2024, to be amortized over the anticipated term of the notes on a straight-line basis which approximates the effective interest method. Amortization was $719 in 2025 and negligible in 2024. At December 31, 2025, capitalized deferred financing costs related to the Fourth Securitization Transaction of $2,476 remain unamortized, of which $719 is reflected as a reduction to Current portion of long-term debt and $1,757 is reflected as a reduction to Long-term debt on the Consolidated Balance Sheet.

The Series 2023-1 Senior Notes and the 2024 VFN Facility issued in conjunction with the Securitization Transaction are secured by substantially all assets of the Securitization Entities and guaranteed by the Securitization Entities. Proceeds were distributed to Neighborly's parent company to extinguish debt incurred by the parent to fund the Company's acquisitions in 2024.

The Series 2021-1 Senior Notes, the Series 2022-1 Senior Notes, the Series 2023-1 Senior Notes, the Series 2021-1 Class A-1 Notes, the Series 2022-1 Class A-1 Notes, the Series 2023-1 Class A-1 Notes, and VFN facilities described above issued in conjunction with the Securitization Transaction, the Second Securitization Transaction, the Third Securitization Transaction and the Fourth Securitization Transaction (together, the "Securitization Transactions") are secured by substantially all assets of Neighborly Issuer LLC and the other Securitization Entities, and guaranteed by the Issuer and such Securitization Entities, each of which is a bankruptcy remote entity and which owned substantially all of the Company's US intellectual property including tradenames, franchise agreements, national account relationships and systems-in-place, as well as the UK tradenames as of the date of issuance. The restrictions placed on the Issuer and its subsidiaries require that interest and scheduled principal payments on the Series 2021-1 Senior Notes, Series 2022-1 Senior Notes, Series 2023-1 Senior Notes, the Series 2021-1 Class A-1 Notes, the Series 2022-1 Class A-1 Notes, and the Series 2023-1 Class A-1 Notes be paid prior to any residual distributions to the Manager, and amounts are segregated weekly to ensure appropriate funds are reserved to pay the quarterly interest and scheduled principal amounts due. The amount of weekly cash flow that exceeds all expenses and obligations of the Issuer and its subsidiaries is generally remitted to the Manager in the form of a distribution. The Manager also receives a fee for the services it provides to the Securitization Entities that is senior to debt service. The Securitization Transactions require, among other things, maintenance of minimum debt-service coverage ratio levels and additional incurrence of indebtedness and scheduled amortization requirements are subject to compliance with maximum leverage ratio levels. As of December 31, 2025 and 2024, the Issuer was in compliance with all debt-service coverage covenants.

The Company's VFN facilities bear interest at market rates. Thus, management believes their carrying amounts approximate fair value.

Debt consisted of the following as of December 31:

	2025	2024
Series 2021-1 Senior Notes	$ 764,000	$ 772,000
Series 2022-1 Senior Notes	394,625	398,725
Series 2023-1 Senior Notes	267,438	270,188
2021 VFN Facility	8,000	8,000
2023 VFN Facility	30,000	75,000
2024 VFN Facility	75,000	75,000
Total carrying value of debt	1,539,063	1,598,913
Less: Deferred financing costs	(12,715)	(17,752)
Total net debt	1,526,348	1,581,161
Less: current portion	(9,858)	(10,051)
Long-term debt	$ 1,516,490	$ 1,571,110

Future maturities of long-term debt based on principal payments outstanding as of December 31, 2025, are as follows:

Years ending December 31,	
2026	$ 14,850
2027	14,850
2028	1,052,038
2029	382,325
2030	75,000
Thereafter	-
	$ 1,539,063

4. Intangible Assets and Goodwill

Intangible assets as of December 31, 2025, consisted of the following:

	Useful Life	Gross Amount	Accumulated Impairment	Accumulated Amortization	Net Amount
Tradenames	3-20 years	$ 1,006,381	$ 10,248	$ 209,978	$ 786,155
Franchise relationships	15 years	617,281	418	177,486	439,377
National accounts	15 years	3,325	148	853	2,324
Insurance company relationships	15 years	2,300		665	1,635
Copyrights	5 years	150		130	20
Franchise rights	1-7 years	12,200	5,388	6,812	-
Customer relationships	3-10 years	18,227	48	10,813	7,366
Developed technology	3 years	720		720	-
Total definite-lived intangibles		$ 1,660,584	$ 16,250	$ 407,457	$ 1,236,877

	Useful Life	Gross Amount	Accumulated Impairment	Accumulated Amortization	Net Amount
Domain name	Indefinite	$ 1,314	$ -	$ -	$ 1,314
Total indefinite-lived intangibles		$ 1,314	$ -	$ -	$ 1,314

Intangible assets as of December 31, 2024, consisted of the following:

	Useful Life	Gross Amount	Accumulated Impairment	Accumulated Amortization	Net Amount
Tradenames	3-20 years	$ 996,297	$ 10,248	$ 158,895	$ 827,154
Franchise relationships	15 years	612,607	418	135,273	476,916
National accounts	15 years	3,248	148	624	2,476
Insurance company relationships	15 years	2,300		511	1,789
Copyrights	5 years	140		93	46
Franchise rights	1-7 years	12,200		5,154	7,046
Customer relationships	3-10 years	17,834		7,612	10,222
Developed technology	3 years	720		631	89
Total definite-lived intangibles		$ 1,645,347	$ 10,814	$ 308,793	$ 1,325,738

	Useful Life	Gross Amount	Accumulated Impairment	Accumulated Amortization	Net Amount
Domain name	Indefinite	$ 1,314	$ -	$ -	$ 1,314
Total indefinite-lived intangibles		$ 1,314	$ -	$ -	$ 1,314

The Company recorded an impairment charge for intangible assets of $5,436 in the year ended December 31, 2025 as discussed in Note 2. Amortization expense was $95,910 and $96,830 for the years ended December 31, 2025 and 2024, respectively.

Estimated amortization expense as of December 31, 2025 for the subsequent five years is as follows:

Years ending December 31,	
2026	$ 94,390
2027	93,543
2028	91,889
2029	91,889
2030	91,889
Thereafter	773,277
	$ 1,236,877

Goodwill

The Company has assigned goodwill to its reporting units based on fair valuation analysis completed for the acquisition of the parent by KKR and from the Company's acquisitions on September 1, 2021, and any subsequent acquisitions.

The changes in the carrying amount of goodwill are as follows:

	December 31, 2025	2024
Balance at beginning of period	$ 1,739,179	$ 1,741,101
Foreign currency impact	7,569	(1,922)
Goodwill impairment	(170,988)	-
Balance at end of period	$ 1,575,760	$ 1,739,179

The Company recorded an impairment charge for goodwill of $170,988 in the year ended December 31, 2025 as discussed in Note 2.

5. Equity-based Compensation

In September 2021, Nest Management LP, a co-investor with KKR, created a profits interest plan which provides for profits interest award grants of Nest Holdings LP and its subsidiaries. A total of 202,843,686 profits interests units were approved to be granted under the plan.

On October 27, 2021, and certain dates thereafter, Nest Management LP granted awards under the plan. The profits interests are exercisable only to the extent they are vested, and do not expire. Generally, vesting of a portion of the profits interests (50%) is subject to the passage of time; the remaining (50%) vest based on achievement of defined financial criteria upon a liquidity event of the Company. Based on continuous employment, time-based profits interest units vest 20% annually, for each of five years.

The Company accounts for equity-based compensation in accordance with ASC 718, Compensation-Stock Compensation, which requires the fair value of equity-based payments to be recognized in the consolidated statements as compensation expense over the requisite service period. For time-based awards, compensation expense is recognized on a straight-line basis, net of forfeitures which are recognized as they occur, over the requisite service period for awards that actually vest. For performance-based awards, compensation expense is estimated based on achievement of performance conditions and is recognized when such conditions are deemed probable. The Company has not recognized expense related to the performance-based awards as a result of the change in

control provision which is not considered probable until it occurs. Equity-based compensation expense is recorded in the General and administrative expense line in the Consolidated Statements of Operations and Comprehensive Income (Loss).

The average grant date fair value of awards under the Nest Management LP profits interest plan was determined using Monte-Carlo simulation, and was $0.00 per unit for awards in the year ended December 31, 2025 and $0.36 per unit for awards in the year ended December 31, 2024. As of December 31, 2025 and 2024 no units were both vested and exercisable.

Equity-based compensation expense recorded for the years ended December 31, 2025 and 2024 was $1,330 and $3,130, respectively. As of December 31, 2025, unamortized stock compensation expense to be recognized in future years was $2,199.

	Number of Underlying Units	
	Time-based	**Performance-based**
Outstanding – December 31, 2023	65,584,944	56,626,935
Granted	25,478,801	22,538,801
Forfeited	(13,399,651)	(22,823,978)
Redeemed	-	-
Outstanding – December 31, 2024	77,664,094	56,341,758
Granted	16,241,712	16,241,712
Forfeited	(5,626,501)	(13,290,056)
Redeemed	-	-
Outstanding – December 31, 2025	**88,279,305**	59,293,414
Vested and Exercisable – December 31, 2025	**-**	-

6. Trade Notes Receivable

The Company periodically receives notes from the sale of new franchises. The rights to the related franchise territory sold generally collateralize these notes. The Company also from time-to-time receives notes for delinquent franchise service fees. Such notes, as of December 31, 2025 and 2024, bear interest at rates typically ranging from 9% to 12% and generally require equal monthly installments over a life of one to ten years.

A summary of trade notes receivable as of December 31 is as follows:

	2025	2024
Amounts due within one year, net of allowance for credit losses of $1,517 and $1,167 as of December 31, 2025 and 2024, respectively	$ 7,675	$ 7,776
Amounts due after one year, net of allowance for credit losses of $2,146 and $2,105 as of December 31, 2025 and 2024, respectively	13,076	13,577
Total trade notes receivable, net	**$ 20,751**	$ 21,353

An analysis of the changes in trade notes receivable is as follows:

	Year Ended December 31,	
	2025	**2024**
Gross trade notes receivable, beginning of period	$ 24,625	$ 28,290
Principal payments received	(14,770)	(17,660)
Notes issued	15,638	14,978
Net write-offs	(1,078)	(946)
Foreign currency translation	(1)	(37)
Gross trade notes receivable, end of period	24,414	24,625
Allowance for credit losses	(3,663)	(3,272)
Net trade notes receivable, end of period	**$ 20,751**	$ 21,353

An analysis of the changes in the trade notes receivable allowance is as follows:

	Year Ended December 31,	
	2025	**2024**
Allowance, beginning of period	$ 3,272	$ 2,619
Provision for credit losses	1,461	1,600
Net write-offs	(1,078)	(946)
Foreign currency translation	8	(1)
Allowance, end of period	**$ 3,663**	$ 3,272

Scheduled future maturities of trade notes receivable are as follows:

Years ending December 31,	
2026	$ 9,192
2027	5,117
2028	3,410
2029	2,701
2030	1,934
Thereafter	2,060
	$ 24,414

7. Property and Equipment

A summary of property and equipment as of December 31 is as follows:

	2025	2024
Land	$ 2,561	$ 2,561
Buildings and improvements	34,571	36,403
Machinery & equipment	5,976	10,690
Furniture & fixtures	1,822	2,033
Hardware	10,126	8,564
Software	71,650	54,907
Vehicles	2,008	12,151
Vehicles under financing lease	19,244	25,150
Total property and equipment	147,958	152,459
Less accumulated depreciation	(70,971)	(60,301)
Property and equipment - net	$ 76,987	$ 92,158

The Company has Assets held for sale as of December 31, 2025 of which $910 is Vehicles under financing lease, as disclosed in Note 2 as Property and Equipment. Depreciation expense was $32,929 and $26,846 for the years ended December 31, 2025 and 2024, respectively. The Company recorded an impairment charge of $6,016 in 2025 related to property and equipment within one asset group as discussed in Note 2.

8. Leases

The Company's primary operating lease commitments consist of leases for office and retail space for its company-operated stores and corporate offices. The Company leases vehicles under financing lease agreements expiring at various dates through 2030.

We determine whether an agreement contains a lease at inception based on our right to obtain substantially all of the economic benefits from the use of the identified asset and the right to direct the use of the identified asset. The Company does not recognize a right-of-use asset (ROU) and a lease liability for leases with an initial term of twelve months or less. Lease liabilities represent the present value of future lease payments and the right-of-use assets represent our right to use the underlying assets for the respective lease terms. The Company does not separate lease and non-lease components for new and modified leases after the adoption date, and instead accounts for each separate lease component of a contract and its associated non-lease components as a single lease component.

The operating lease liability is measured as the present value of the unpaid lease payments and the ROU asset is derived from the calculation of the operating lease liability. Other than for leased vehicles, our leases do not generally provide an implicit rate and we use our incremental borrowing rate as the discount rate to calculate the present value of lease payments. The incremental borrowing rate represents an estimate of the interest rate that would be required to borrow over a similar term, on a collateralized basis in a similar economic environment.

Rent escalations occurring during the term of the leases are included in the calculation of the future minimum lease payments and the rent expense related to these leases is recognized on a straight-line basis over the lease term. In addition to minimum lease payments, certain leases require payment of a proportionate share of real estate taxes and certain building operating expenses allocated on a percentage of sales in excess of a specified base. These variable lease costs are not included in the measurement of the ROU asset or lease liability due to unpredictability of the payment amount and are recorded as lease expense in the period incurred. The ROU asset is adjusted to account for previously recorded lease-related expenses such as deferred rent and other lease liabilities.

The components of lease cost are as follows:

	Year Ended December 31,	
	2025	2024
Operating lease cost	$ 6,546	$ 7,149
Variable lease cost	328	324
Finance lease cost:		
Amortization of right-of-use assets	7,911	7,849
Interest on lease obligations	1,053	1,088
Total lease cost	**$ 15,838**	$ 16,411

The table below presents additional information related to the Company's leases:

	As of December 31,	
	2025	2024
Weighted average remaining lease term (in years):		
Operating leases	4.8	5.1
Finance leases	2.7	2.5
Weighted average discount rate:		
Operating leases	4.5%	4.2%
Finance leases	6.7%	6.3%

Other information related to leases, including supplemental disclosures of cash flow information, is as follows:

	Year Ended December 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 6,619	$ 7,359
Operating cash flows from finance leases	791	861
Financing cash flows from finance leases	5,466	4,749
Right-of-use assets obtained in exchange for operating lease liabilities	782	1,876

Maturities of lease liabilities are as follows as of December 31, 2025:

Years ending December 31,	Operating leases	Finance leases	Total
2026	$ 4,603	$ 6,061	$ 10,664
2027	3,533	2,838	6,371
2028	3,019	2,130	5,149
2029	2,356	1,393	3,749
2030	1,762	1,399	3,161
Thereafter	2,142	-	2,142
Total lease payments	17,415	13,821	31,236
Less: Interest	2,087	1,469	3,556
Total lease liabilities	15,328	12,352	27,680
Less: Current lease liabilities	4,045	5,594	9,639
Non-current lease liabilities	$ 11,283	$ 6,758	$ 18,041

The Company had Liabilities held for sale as of December 31, 2025 of which $2,426 are for operating leases and $3,913 for finance leases not included above as disclosed in Note 2. Rent expense for operating leases was $6,546 and $7,149 for the years ended December 31, 2025 and 2024, respectively.

9. Income Taxes

The income tax benefit is as follows:

	Year ended December 31, 2025	2024
Current:		
Federal	$ 1,889	$ 10,911
State	958	2,002
Foreign	1,286	(202)
Total current	4,133	12,710
Deferred:		
Federal	(41,722)	(18,525)
State	(6,965)	(979)
Foreign	(2,774)	(1,147)
Total deferred	(51,461)	(20,651)
Total income tax benefit	$ (47,328)	$ (7,941)

A reconciliation of the income tax benefit at a statutory tax rate of 21% to the income tax benefit at an effective tax rate is as follows:

	Year ended December 31, 2025	2024
Federal income taxes at statutory rate	$ (48,966)	$ (9,882)
State taxes	(6,208)	602
Goodwill impairment	5,354	-
Valuation allowance	3,160	-
Other permanent differences	1,623	1,452
Deferred balance adjustment	(867)	63
Payable adjustment	(1,475)	(1,581)
Other	51	1,405
Total income tax benefit	$ (47,328)	$ (7,941)

The Company's effective income tax rate is 20.28% and 16.87% for the years ended December 31, 2025 and 2024, respectively. The Company's overall global effective income tax rate differs from the statutory US Federal income tax rate of 21.00% due to state income taxes, goodwill impairment and valuation allowance.

The components of deferred income tax assets and liabilities as of December 31:

	2025	2024
Deferred tax assets:		
Accounts/notes receivable allowance	$ 1,649	$ 1,571
Accrued expenses	2,388	439
Net operating loss carryforwards	1,161	599
Interest expense limitation	48,934	43,200
Deferred revenue	16,870	15,342
Operating leases liability	4,402	4,669
Tax capitalized software	7,127	9,276
Other	1,709	3,358
Total deferred tax assets	84,240	78,454
Deferred tax liabilities:		
Prepaid expenses	(1,744)	(1,052)
Property and equipment	(6,049)	(10,093)
Intangible assets and goodwill	(215,327)	(250,731)
Interest rate swap	-	(6)
Operating lease right-of-use assets	(4,235)	(5,007)
Other	(2,438)	(1,927)
Total deferred tax liabilities	(229,793)	(268,816)
Valuation allowance	(4,165)	-
Net deferred tax liabilities	$ (149,718)	$ (190,362)

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. Management considers all sources of future taxable income but heavily relies on the most objective piece of evidence which is scheduling of deferred tax liabilities. As a result, beginning in 2025, the Company concluded, based on all positive and negative evidence, deferred tax asset related to interest expense limitation, on a more likely than not basis, would not be realized. Therefore, partial valuation allowance in the amount of $4,165 is established against interest expense limitation in the US and state jurisdictions.

For the years ended December 31, 2025 and 2024, no change was recorded for uncertain tax positions, and the balance was ($641). As of December 31, 2024, no interest or penalty was accrued by the Company related to uncertain tax positions.

The Company reported net operating losses in the following jurisdictions as of December 31:

	2025	2024	Expiration
Jurisdiction			
US Federal	$ -	$ -	Indefinite
US State (post-apportionment)	20,326	17,100	Various
United Kingdom	52	-	Indefinite
Germany	-	-	Indefinite
Austria	-	-	Indefinite
Canada	-	-	20 Years
India	33		Various
Total	$ 20,411	$ 17,100	

The Company files a US consolidated federal income tax return for Nest Holdings, Inc. and Subsidiaries which includes Neighborly Company. State returns are filed on either a separate company or consolidated return basis. The Company also files separate returns where required for the various LLC entities. The Company's subsidiaries file income tax returns in Canada, Germany, the UK and Austria.

The Company files US state income tax returns in nearly every state in the US. Many of the state return filings reflect net operating loss carryovers computed on a post-apportionment basis, while several states compute operating loss carryovers on a pre-apportionment basis. The US state income tax effect of the net operating loss carryforwards, net of federal income tax, amounted to $1,166 and $1,048 at December 31, 2025 and 2024, respectively. The state net operating losses have varying carryover periods. The Company expects to fully utilize all net operating loss carryovers prior to expiration.

The Company has no current or pending IRS examinations. US Federal income tax returns for years ended August 31, 2021, December 31, 2021, December 31, 2022, December 31, 2023, and December 31, 2024 remain open for examination. State income tax returns remain open for similar years, and several states having a longer statute remain open for examination. The Company has timely filed all federal and state income tax returns.

The UK entities have no prior or pending tax examinations with HMRC. The UK corporation tax process is one of self-assessment. Following filing of the tax return, HMRC has a period of (usually) 12 months in which to raise formal inquiries. These can range from simple information requests to detailed technical challenges over treatments adopted in the tax return. HMRC has made no requests. The December 31, 2024, corporate tax returns remain open for examination. The UK entities have timely filed all corporate income tax returns.

The German entities are currently under review by the BZSt. The statute of limitations for examination is four (4) years from the end of the year in which the return was filed. Tax returns for years ended December 31, 2021, and forward remain open for examination. The German entities have timely filed all corporate income tax returns.

The US and foreign entities operate under transfer pricing agreements that control the pricing of intercompany management services, interest and royalties.

The Company has both the intent and ability to reinvest foreign earnings, therefore deferred tax liabilities have not been recorded on either unremitted earnings, components of other comprehensive income, or applicable foreign withholding taxes.

On July 4, 2025, the United States enacted tax reform legislation through the One Big Beautiful Bill Act ("OBBBA"). The OBBBA makes permanent key elements of the Tax Cuts and Jobs Act of 2017, including 100% bonus depreciation on qualified property acquired and placed in service after January 19, 2025; immediate deduction of domestic research expenses; reinstatement of EBITDA as the basis for computing business interest expense limits. The Company applied new regulations accordingly. There is no effect on ETR due to these changes in law.

10. Related Party Transactions

On September 1, 2021, a Monitoring Agreement was entered into with Kohlberg Kravis Roberts & Co and Harvest Partners under which the Company will pay certain fees and expenses under the terms of the Monitoring Agreement. For the years ended December 31, 2025 and 2024, the Company recognized management and board fees and expenses of $3,148 and $3,641, respectively, in the General and administrative expenses line item in the Company's consolidated statements of operations. Additionally, the Company paid $750 to a related party in the year ended December 31, 2024 for services related to the 2024 VFN Facility. These costs are included in General and administrative expenses on the Consolidated Statement of Operations and Comprehensive Income (Loss).

11. Contingencies

The Company is engaged in various legal proceedings incidental to its normal business activities. Management has determined that it is not probable that the Company has incurred any loss contingencies as defined in FASB ASC Topic 450, Contingencies. Accordingly, no liabilities have been accrued for these matters as of December 31, 2025 and 2024. Management believes that the outcome of such matters will not have a material effect on the Company's consolidated financial statements.

12. Employee Benefit Plan

The Company sponsors a 401(k) plan covering the majority of its employees. Plan participants may contribute up to 70% (subject to Internal Revenue Service limitations) of their annual compensation before taxes for investment in several specified alternatives. Employees are fully vested with

respect to their contributions. The Company may match a percentage of employee contributions as determined at the discretion of the Board of Directors. Company contributions recognized totaled $2,853 and $2,939 for the years ended December 31, 2025, and 2024, respectively.

13. Subsequent Events

In preparation of its financial statements, the Company considered subsequent events through March 31, 2026, which was the date the Company's financial statements were available to be issued.

Neighborly Company and Subsidiaries

Consolidated Financial Statements
As of December 31, 2024 and 2023 and
for the years ended December 31, 2024 and 2023

Neighborly Company and Subsidiaries

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Report of Independent Auditors

To the Board of Directors and Stockholders of
Neighborly Company and subsidiaries

Opinion

We have audited the consolidated financial statements of Neighborly Company and subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee

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that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Ernst & Young LLP

Dallas, Texas
March 31, 2025

Neighborly Company and Subsidiaries

Consolidated Balance Sheets
($000's)

	December 31, 2024	December 31, 2023
Assets		
Current Assets		
Cash	**$ 18,436**	$ 43,416
Restricted cash	**28,077**	28,636
Trade accounts receivable – net	**44,747**	44,566
Trade notes receivable - current portion – net	**7,776**	9,777
Inventories	**3,776**	4,007
Income tax receivable	**9,231**	1,880
Prepaid selling expenses - current	**4,726**	3,959
Other current assets	**6,106**	2,839
Total Current Assets	**122,875**	139,080
Property and equipment – net	**92,158**	89,137
Operating lease right of use assets	**20,221**	27,227
Prepaid selling expenses – less current portion	**19,896**	19,104
Trade notes receivable – less current portion - net	**13,577**	15,894
Intangible assets – net	**1,327,052**	1,425,724
Goodwill	**1,739,179**	1,741,101
Other non-current assets	**1,758**	2,128
Total Assets	**$ 3,336,716**	$ 3,459,395

Neighborly Company and Subsidiaries

Consolidated Balance Sheets (continued)
($000's, except share and per share amounts)

	December 31, 2024	2023
Liabilities and Stockholder's Equity		
Current Liabilities		
Trade accounts payable	**$ 17,856**	$ 15,962
Accrued liabilities	**48,074**	56,589
Deferred revenue - current	**18,215**	17,760
Current portion of long-term debt	**10,051**	10,488
Current portion of operating lease liabilities	**5,401**	6,925
Current portion of finance lease obligations	**5,941**	4,426
Total current liabilities	**105,538**	112,150
Long-term debt - less current portion	**1,571,110**	1,451,356
Operating lease obligations – less current portion	**15,639**	21,302
Finance lease obligations – less current portion	**10,278**	10,187
Deferred tax liabilities	**199,638**	220,780
Deferred revenue - less current portion	**74,718**	73,850
Other non-current liabilities	**1,616**	1,696
Commitments and Contingencies (Note 11)		
Stockholder's Equity		
Common stock-par value $0.01 per share; 100 shares authorized, issued and outstanding	**-**	-
Additional paid-in capital	**1,933,936**	2,100,435
Accumulated deficit	**(528,523)**	(489,405)
Accumulated other comprehensive loss	**(47,234)**	(42,956)
Total Stockholder's Equity	**1,358,179**	1,568,074
Total Liabilities and Stockholder's Equity	**$ 3,336,716**	$ 3,459,395

See accompanying notes to consolidated financial statements

Neighborly Company and Subsidiaries

Consolidated Statements of Operations and Comprehensive Income (Loss)
($000's)

	Year Ended December 31,	
	2024	2023
Revenues and income		
Franchise service fees	**$ 208,277**	$ 194,731
Franchise sales fees	**35,122**	38,441
Sales of products and services	**282,737**	288,146
Advertising and promotional fund revenue	**60,159**	53,320
Other revenue	**39,387**	39,026
Total revenues and income	**625,682**	613,664
Cost of products and services	**174,140**	169,627
Gross Profit	**451,542**	444,037
Selling expense	**26,173**	26,179
General and administrative expense	**206,402**	196,985
Advertising and promotional fund expense	**61,482**	58,124
Equity-based compensation expense	**3,130**	4,194
Depreciation and amortization	**123,676**	116,929
Management and board fees and expenses	**3,650**	4,638
Loss on impairment of goodwill and tradenames	**-**	428,286
Credit losses	**3,810**	2,812
Operating Income (Loss)	**23,219**	(394,110)
Interest expense	**70,278**	68,756
Loss Before Income Taxes	**(47,059)**	(462,866)
Income tax benefit	**(7,941)**	(23,790)
Net Loss	**(39,118)**	(439,076)
Other comprehensive income/(loss)		
Foreign currency translation adjustment, net of tax of $1,070 and 2,132, respectively	**(3,208)**	6,395
Total Other Comprehensive income/(loss)	**(3,208)**	6,395
Comprehensive Loss	**$ (42,326)**	$ (432,681)

See accompanying notes to consolidated financial statements.

Neighborly Company and Subsidiaries

Consolidated Statement of Changes in Stockholder's Equity
($000's, except share amounts)

	Common Stock		Additional Paid - In	Accumulated	Accumulated Other Comprehensive	
	Shares	Amount	Capital	Deficit	Income (Loss)	Total
Balance at December 31, 2022	100	$ -	$ 2,420,959	$ (50,587)	$ (51,483)	$ 2,318,889
Adoption of accounting principle	-	-	-	258	-	258
Distribution to parent	-	-	(324,718)	-	-	(324,718)
Equity-based compensation	-	-	4,194	-	-	4,194
Foreign currency translation adjustment	-	-	-	-	8,527	8,527
Net loss	-	-	-	(439,076)	-	(439,076)
Balance at December 31, 2023	100	$ -	$ 2,100,435	(489,405)	(42,956)	1,568,074
Contribution to Equity	-	-	575	-	-	575
Distribution to parent	-	-	(170,204)	-	-	(170,204)
Equity-based compensation	-	-	3,130	-	-	3,130
Foreign currency translation adjustment	-	-	-	-	(4,278)	(4,278)
Net loss	-	-	-	(39,118)	-	(39,118)
Balance at December 31, 2024	**100**	**$ -**	**$ 1,933,936**	**$ (528,523)**	**$ (47,234)**	**$ 1,358,179**

See accompanying notes to consolidated financial statements.

Neighborly Company and Subsidiaries

Consolidated Statement of Cash Flows
($000's unless otherwise noted)

	For the Year Ended December 31,	
	2024	2023
Operating activities		
Net loss	$ (39,118)	$ (439,076)
Adjustments to reconcile net loss to net cash provided by **operating activities:**		
Depreciation and amortization	123,676	116,929
Amortization of deferred financing costs	4,409	4,164
Loss on impairment of goodwill and tradenames	-	428,286
Bad debt expense	3,810	2,812
Trade notes issued	(14,978)	(15,243)
Collections of notes receivable	17,660	16,605
Deferred income taxes	(20,651)	(44,346)
Loss on disposal of assets	3,589	-
Equity-based compensation	3,130	4,194
Changes in assets and liabilities:		
Trade accounts receivable	(2,848)	(1,403)
Inventories	249	626
Prepaid selling expenses and other assets	(4,313)	3,722
Trade accounts payable	1,907	(6,249)
Accrued liabilities	(9,729)	(8,512)
Other non-current liabilities	(83)	(275)
Income tax payable	(7,352)	(1,519)
Change in operating lease assets and liabilities	(181)	3,535
Deferred revenue	1,323	11,246
Net cash provided by operating activities	60,500	75,496
Investing activities		
Purchase of property, equipment and other assets	(25,042)	(27,931)
Acquisitions of intangible assets	(677)	-
Net cash used in investing activities	(25,719)	(27,931)
Financing activities		
Equity contribution	575	-
Distributions paid	(170,204)	(324,718)
Deferred financing costs paid	(3,241)	(13,866)
Proceeds from revolving credit	158,000	25,000
Payment on revolving credit	(25,000)	-
Payments on principal portion of finance lease liabilities	(4,749)	(3,455)
Payments on long-term borrowings	(14,850)	(14,323)
Proceeds from long-term borrowings	-	275,000
Net cash used in financing activities	(59,469)	(56,362)
Effect of foreign currency translation on cash	(851)	(1,255)
Net decrease in cash and restricted cash	(25,539)	(10,052)
Cash and restricted cash - Beginning of period	$ 72,052	$ 82,104
Cash and restricted cash - End of period	$ 46,513	$ 72,052
Supplemental cash flow disclosures:		
Cash paid for income taxes, net of refunds	$ 16,770	$ 15,829
Cash paid for interest	65,052	$ 60,258

1. Organization and Description of Business

Organization and Description of Business

Neighborly Company and Subsidiaries ("we", "our", "Neighborly" and the "Company") is a Delaware corporation and is the parent company of a number of franchisors and related supporting businesses operating in the United States (the "US") and internationally which include the following companies: Mr. Rooter, Rainbow International, Mr. Electric, Aire Serv, Mr. Appliance, Glass Doctor, Grounds Guys, Molly Maid, Mr. Handyman, Five Star Painting, Mosquito Joe, Real Property Management, Window Genie, HouseMaster, Dryer Vent Wizard, ShelfGenie, Precision Door Service, Restoration 1, Junk King, Lawn Pride, ZorWare, Drain Doctor, Locatec, Countrywide, Bright and Beautiful, Dream Doors, Greensleeves, and ProTradeNet.

In addition, the Company owns and operates non-franchisor entities as follows: Portland Glass, which offers auto, home, and business glass repair and replacement through company owned stores located in Maine, Vermont, and New Hampshire; Pimlico Plumbers, which offers repair and maintenance services, concentrated in central London; Plumb Enterprises, which offers full plumbing, drain and sewer cleaning services, excavation, and repairs in Colorado; and Lawn Pride, which offers lawn care and maintenance services through the application of fertilizer, as well as pest control, in Indiana.

Acquisition of the Company

On June 29, 2021, Kohlberg Kravis and Roberts ("KKR"), and associated co-investors formed Nest Bidco Inc. which, on September 1, 2021, purchased 100% of the shares of Balcones Holdco, Inc., the parent company of Neighborly, from TDG Investment Holdings, LP. Nest Bidco Inc. is an indirectly wholly owned subsidiary of Nest Holdings LP, which is the ultimate parent company of the newly formed business. The transaction was effected to add Neighborly to KKR's investment portfolio, and allows Neighborly to gain access to KKR's capital and resources.

2. Summary of Significant Accounting Policies

Recently Issued Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," (ASU No. 2023-09) which requires disclosure of disaggregated information about a reporting entity's effective tax rate reconciliation as well as disclosures on income taxes paid by jurisdiction. ASU No. 2023-09 is effective for annual periods beginning after December 15, 2024. The guidance is required to be applied on a prospective basis, with the option to apply the standard retrospectively. Early adoption is permitted. Management is currently evaluating the impact of this guidance on the Company's consolidated financial statements and related disclosures.

In January 2024, the FASB issued ASU No. 2024-01, "Scope Application of Profits Interest and Similar Awards." This update clarifies that profits interests and similar awards granted to employees as compensation for services are within the scope of ASC Topic 718 (Compensation—Stock Compensation). The amendments in this update are effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years, with early adoption permitted. The Company is required to apply these amendments on a modified retrospective basis

to awards outstanding at the beginning of the fiscal year of adoption, with cumulative-effect adjustments to retained earnings. Management is currently evaluating the impact of this guidance on the Company's consolidated financial statements and related disclosures.

Principles of Consolidation and Variable Interest Entities

The accompanying consolidated financial statements as of December 31, 2024 and 2023 include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

FASB Accounting Standards Codification (ASC) Topic 810-10, Consolidation, applies to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. Such an entity is referred to as a variable interest entity ("VIE"). FASB ASC Topic 810-10 requires the consolidation of a VIE by its primary beneficiary. The primary beneficiary is the entity, if any, that has the power to direct activities of a VIE that most significantly impact the VIE's economic performance and has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE.

Neighborly Assetco LLC ("Assetco") is a direct, wholly owned subsidiary of Neighborly Issuer LLC (the "Issuer"), which is a special purpose Delaware limited liability company and a direct, wholly owned subsidiary of Neighborly SPV Guarantor LLC (the "SPV Guarantor"), which is a special purpose Delaware limited liability company that is an indirect, wholly owned subsidiary of Neighborly (the "Manager").

Assetco's subsidiaries are comprised of a number of franchisors and related supporting businesses operating in the US and internationally and include the following businesses: Aire Serv SPV LLC, Mr. Electric SPV LLC, The Grounds Guys SPV LLC, Rainbow International SPV LLC, Glass Doctor SPV LLC, Mr. Appliance SPV LLC, Mr. Rooter SPV LLC, Molly Maid SPV LLC, Mr. Handyman SPV LLC, Five Star Painting SPV LLC, Window Genie SPV LLC, Real Property Management SPV LLC, Mosquito Joe SPV LLC, HouseMaster SPV LLC, Dryer Vent Wizard SPV LLC, ShelfGenie SPV LLC, Precision Door Service SPV LLC, Junk King SPV LLC, and Lawn Pride SPV LLC (each an "SPV Franchisor" and together the "SPV Franchisors") and ProTradeNet SPV LLC, Neighborly Service Solutions SPV LLC, Back Office SPV LLC, G-O Manufacturing SPV LLC, Zorware SPV LLC, NBLY Co Ops CO SPV LLC, NBLY Co Ops WA SPV LLC, NBLY Co Ops AZ SPV LLC, NBLY Co Ops IN SPV LLC, Trench Right SPV LLC, Trench Right WA SPV LLC, Dig Boss SPV LLC, NBLY Logistics SPV LLC, and Pimlico SPV Limited (each a "Non-Franchisor SPV Entity" and together the "Non-Franchisor SPV Entities"), each of which is a direct, wholly owned subsidiary of Assetco.

Assetco holds all the equity interests in the SPV Franchisors and the Non-Franchisor SPV Entities, certain intellectual property, certain license agreements and certain vendor agreements. Each SPV Franchisor holds the tradenames and the franchise agreements related to such brand and any product supply agreements or vendor agreements related to such brand. The Non-Franchisor SPV

Entities hold certain tradenames, certain product supply agreements, certain vendor agreements and the office service agreements.

Neighborly SPV Guarantor LLC, Neighborly Issuer LLC, and Neighborly Assetco LLC (collectively with the SPV Franchisors and the Non-Franchisor SPV Entities are referred to as "Securitization Entities")

were formed in connection with a financing transaction (the "Securitization Transaction"), which was completed on March 25, 2021 and on subsequent dates thereafter (see Note 3).

The Company has determined that the Securitization Entities qualify as VIE's and that Neighborly is the primary beneficiary, having both power and benefits, of the Securitization Entities and accordingly, consolidation is concluded.

Use of Estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition, Accounts Receivable, Notes Receivable, and Allowances

The Company's primary sources of revenue are as follows:

- Franchise service fees from existing franchise owners based on a percentage of each franchise owner's gross sales. These fees generally range from 2% to 15% of the franchise owner's gross sales, depending upon the particular franchise concept and upon various other factors;

- Franchise sales fees generated from the sale of new franchise territories and the sale of additional franchise territories to existing franchise owners;

- Sales of products and services to unrelated third parties;

- Advertising and promotional fund revenue represents marketing, advertising and promotional ("MAP") fund fees collected from existing franchise owners. These fees are typically a percentage of each franchise owner's sales and vary depending upon the particular franchise concept and various other factors;

- Other revenue consists of incentives earned from services performed for unrelated third parties and interest generated from notes receivable.

Typically, franchise agreements are granted to franchise owners for an initial term of ten years with an option to renew. Our performance obligations under franchise agreements consist of providing a license of our brand's intellectual property, a list of approved suppliers, certain training programs, an operations manual, and to maintain the MAP fund. These performance obligations are highly interrelated and we do not consider them to be individually distinct, and therefore account for them as a single performance obligation, which collectively represent the obligation to provide a license for the right to use our brand's intellectual property. Revenue related to franchise agreements is recognized on a straight-line basis over the term of the agreement, with the exception of variable or sales-based royalties, MAP fund fees collected and revenue allocated to goods and services and other variable fees which are recognized as the underlying sales occur and performance obligations are satisfied.

In the event a franchise agreement is terminated, without a corresponding agreement executed by the same franchise owner, any remaining deferred fees as well as applicable termination fees are recognized in the period of termination.

The Company periodically extends credit to entities for the purchase of franchises. These entities are typically controlled by individuals who operate their businesses as an owner/manager. Generally, the notes receivable are collateralized by the related franchise territory rights. The Company also extends unsecured credit to its franchise owners for unpaid franchise service fees. The Company places notes receivable on nonaccrual status when payment is ninety days past due, and ceases to recognize revenue from interest on the note until such time as the note is no longer past due. Interest on trade notes receivable is recorded as revenue when earned. Each entity's ability to perform is dependent upon the economic condition of the business. The Company maintains ongoing credit evaluations of its franchise owners.

The Company adopted ASU 2016-13 ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments using the modified retrospective adoption method on January 1, 2023, which was retroactively applied as of the first day of 2023. This accounting standard requires companies to measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instrument. Upon adoption of this guidance, the Company recognized a decrease to its allowance for credit losses of $200 and a corresponding adjustment to accumulated deficit, net of tax.

Expected credit losses for uncollectible receivable balances consider both current conditions and reasonable and supportable forecasts of future conditions. Current conditions considered include pre-defined aging criteria, as well as specified events that indicate the balance due is not collectible. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available macroeconomic data and whether future credit losses are expected to differ from historical losses.

Franchise service fee revenues represent sales-based royalties that are related entirely to our performance obligation under the franchise agreement and are recognized in the period in which the sales occur. Sales-based royalties are variable consideration related to our performance obligations to our franchise owners to maintain the intellectual property being licensed.

We have determined we act as the principal in the transaction related to the MAP fund contributions and expenditures. MAP fund contributions and expenditures are reported in the accompanying Consolidated Statements of Operations and Comprehensive Income (Loss). Our obligation related to these funds is to administer the MAP fund, keep unused MAP fees in segregated bank accounts which are classified as restricted cash on the Consolidated Balance Sheet and use MAP fees for certain activities related to the marketing and promotion of the individual brands. As noted above, we have concluded the advertising services provided to franchise owners are highly interrelated with the franchise rights and not a distinct performance obligation; therefore, revenues from MAP fund fees are recognized as advertising and promotion fund revenue when the related sales occur based on the application of the sales-based royalty exception within ASC 606, Revenue from Contracts with Customers.

Revenues from product sales are recognized upon transfer of title, when delivered to the customer, when the work is performed, or orders are shipped. Incentives earned are recognized as services are performed.

Contract Balances

The contract liabilities which we classify as "deferred revenue" consist primarily of the unamortized portion of initial franchise fees that are currently being recognized into revenue, amounts related to pending agreements, or other deferred revenues not related to franchise agreements. Contract deferred franchise revenue represents our remaining performance obligations to our franchise owners, as we account for our highly interrelated obligations as a single performance obligation, which collectively represent the obligation to provide a license for the right to use our brand's intellectual property excluding amounts of variable consideration related to sale-based royalties and advertising. The other deferred revenues not related to the franchise agreements are included in current deferred revenue.

The components of the change in deferred revenue are as follows:

	Year Ended December 31,	
	2024	2023
Balance at beginning of period	$ 91,610	$ 80,364
Fees received from franchise owners	37,203	49,188
Franchise sales revenue recognized	(35,122)	(38,441)
Other changes in deferred revenue	(758)	499
Balance at end of period	92,933	91,610
Less: current portion	18,215	17,760
Deferred revenue noncurrent	$ 74,718	$ 73,850

Revenue deferred as of December 31, 2023 and recognized in the period from January 1, 2024 through December 31, 2024 was $17,623. Revenue deferred as of December 31, 2022 and recognized in the period from January 1, 2023 through December 31, 2023 was $20,133.

As of December 31, 2024, the deferred revenue expected to be recognized for each of the next five years and in the aggregate is as follows:

Years ending December 31,	
2025	$ 18,215
2026	12,829
2027	12,455
2028	11,718
2029	10,267
Thereafter	27,449
	$ 92,933

Direct, incremental selling expenses incurred when the franchise agreement is executed are recorded as a contract asset and amortized over the life of the agreement consistent with the recognition of the deferred revenue. Contract assets are included in current and non-current

prepaid selling expenses in the accompanying Consolidated Balance Sheets and the amortization is included in general and administrative expense in the accompanying Consolidated Statements of Operations and Comprehensive Income (Loss). For the year ended December 31, 2024, $7,736 of costs were paid and amortization expense of $6,175 was recognized. For the year ended December 31, 2023, $8,883 of costs were paid and amortization expense of $5,845 was recognized.

The ending asset for deferred contract costs as of December 31, 2024 was $24,622, of which $4,726 was current. The ending asset for deferred contract costs as of December 31, 2023 was $23,063, of which $3,959 was current.

Advertising

The Company expenses advertising costs as incurred. Advertising expense was $23,200 and $28,772 for the years ended December 31, 2024 and 2023, respectively. Advertising expense is included in general and administrative expense in the accompanying Consolidated Statements of Operations and Comprehensive Income (Loss). This is separate from MAP fees which are presented on their own line in Consolidated Statements of Operations and Comprehensive Income (Loss).

Inventories

Inventories consist of products to be sold and are stated at the lower of cost (first-in, first-out method) or net realizable value.

Property and Equipment

With the exception of land, which is not depreciated, property and equipment is stated at cost and is depreciated using the straight-line method over the estimated useful lives of the respective assets which are generally as follows: buildings (30 years) and building improvements (5-15 years), capped at the lesser of life of the leasehold improvements or remaining lease life; machinery, equipment, and vehicles (5-10 years); furniture and fixtures (5 years); and hardware and software (3 years). Additions, renewals, and betterments are capitalized; maintenance and repairs which do not extend the useful life of the asset are expensed as incurred.

Management evaluates long-lived assets used in operations for impairment when indicators of impairment are present. Impairment losses are recorded in the amount that carrying value exceeds fair market value when the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of the assets. No impairment losses for property and equipment were recorded for the year ended December 31, 2024.

Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired. The Company tests goodwill annually for impairment, or earlier if events or changes in circumstances indicate that impairment may exist. Management's impairment tests are generally performed as of October 1st annually. The Company's current goodwill balance resulted from the acquisition of the Company as of September 1, 2021, and from the Company's acquisitions in the successor period, as discussed in Note 1.

The Company performed a qualitative assessment of its goodwill as of October 1, 2024 and concluded that indicators of impairment existed for certain of its reporting units, based on trends

in financial performance. Therefore, the Company performed a quantitative assessment of its goodwill for certain reporting units with indicators of impairment by measuring the fair value using present value techniques including the income approach and the market approach. The Company's weighted average cost of capital declined slightly as well as projected positive operating performance of the reporting units resulted in a fair value that exceeded carrying value with no resulting impairment. A goodwill impairment expense of $417,591 was recorded in the year ended December 31, 2023, and none in 2024.

Intangible Assets

Intangible assets consist of tradenames, franchise relationships, national accounts, insurance company relationships, customer relationships, re-acquired franchise rights, developed technology, copyrights, and domain name, and are stated at their estimated fair value as of the date of acquisition, less subsequent amortization. The Company's intangible assets are definite lived, other than domain name, which is indefinite lived.

For definite lived intangible assets, when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable, the Company evaluates the definite lived intangible assets for impairment by comparing the carrying value to the anticipated future undiscounted cash flows expected to be generated from the use of the intangible assets. If the carrying amount is not recoverable, a loss is recorded in the amount the carrying value exceeds the fair market value of the assets. No impairment expense was recorded in the year ended December 31, 2024, and $10,695 was recorded in the year ended December 31, 2023.

Tradenames are amortized over their estimated useful life, which ranges from three years to 20 years, using the straight-line method. Franchise relationships, national accounts relationships, and insurance company relationships are amortized over their estimated useful lives of 15 years, using the straight-line method. Customer relationships are amortized over their estimated useful life of three to 10 years, using the straight-line method. Reacquired franchise rights are amortized over the remaining life of the reacquired agreements, between one to seven years, using the straight-line method. Copyrights are amortized over their estimated useful life of five years, using the straight-line method. Developed technology is amortized over their estimated useful life of three years, using the straight-line method.

Domain names are stated at their estimated fair value at the date of acquisition, and are not amortized, as their useful lives are considered indefinite, but are subject to annual impairment testing. The Company performed a qualitative assessment of its indefinite lived intangible assets as of October 1, of 2024 and 2023 and concluded it is not more likely than not that the fair value of its domain names is less than the carrying amount and, as such, a quantitative impairment test was not considered necessary.

Income Taxes

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the consolidated financial statement carrying amounts of assets and liabilities and their respective tax basis. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in tax expense in the period that includes the enactment date.

The Company establishes valuation allowances in accordance with the provisions of FASB ASC Topic 740, Income Taxes. The Company reviews the adequacy of any valuation allowance and recognizes tax benefits only when it is more likely than not that the benefits will be realized.

The Company measures, classifies, and discloses uncertain tax benefits in accordance with FASB ASC Topic 740-10, Income Taxes-Overall. The Company has elected to classify interest and penalties related to uncertain tax benefits as a component of income tax expense.

Equity-based Compensation

The Company accounts for equity-based compensation under FASB ASC Topic 718, Compensation-Stock Compensation. This pronouncement requires the measurement of all equity-based payments to employees using a fair-value-based method and the recording of such expense in the accompanying Consolidated Statements of Operations and Comprehensive Income (Loss). The Company participates in an equity-based employee compensation plan, which is described more fully in Note 5.

Foreign Currency Translation

Consolidated entities that have a functional currency that differs from the Company's reporting currency include our foreign subsidiaries, which are in Canada, the United Kingdom (the "UK"), Germany and Austria. Foreign currency denominated assets and liabilities are translated using the exchange rates at the end of each reporting period. Results of foreign operations are translated at the weighted average exchange rate for each reporting period. Translation adjustments are included as a component of accumulated other comprehensive income (loss) until realized. Where amounts denominated in a foreign currency are converted into US dollars by remittance or repayment, the realized exchange differences are included in the accompanying Consolidated Statements of Operations and Comprehensive Income (Loss), primarily in general and administrative expense, and was immaterial in all periods presented.

Cash and Restricted Cash

The Company considers all cash and highly liquid investments purchased with an initial maturity of three months or less to be cash or cash equivalents.

Cash consists primarily of cash on hand and cash on deposit. Restricted cash includes funds held for the MAP funds and securitized cash held for principal and interest payments on deposit related to the Securitization Transaction.

Cash and restricted cash consists of the following as of December 31,:

		2024		2023
Cash	**$**	**18,436**	$	43,416
Restricted Cash:				
Whole business securitization		**23,639**		21,903
MAP funds		**4,438**		6,733
Total cash and restricted cash	**$**	**46,513**	$	72,052

The Company maintains its cash in banks in which deposits may, from time to time, exceed federally insured limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risks related to cash.

Fair Value of Financial Instruments and Non-financial Assets

In accordance with FASB ASC 820, Fair Value Measurements, certain assets and liabilities carried at fair value are categorized based on the level of judgment associated with the inputs used to measure their fair value. The standard establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 - Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date for the duration of the instrument's anticipated life.

Level 3 - Inputs are unobservable and therefore reflect management's best estimate of the assumptions that market participants would use in pricing the asset or liability.

The tradenames, systems in place, and developed technology were valued using the relief from royalty method and the franchise relationships, customer relationships, national account relationships, and insurance company relationships were valued using the multi-period excess earnings method in the periods acquired, except for those tradenames remeasured in 2023 as a result of impairment testing as discussed above. Rollover equity was valued using a combination of Level 2 observable inputs including EBITDA multiples and comparable public company as well as discounted cash flow analysis of future projections in the period issued. The future projections and estimates used to fair value the assets acquired in acquisitions, as well as those used in our long-lived asset and goodwill impairment testing, are considered Level 3 inputs.

3. Debt Agreements

Through its wholly owned subsidiary, Neighborly Issuer LLC (the "Issuer"), the Company entered into the Securitization Transaction which was completed on March 25, 2021. In conjunction with the Securitization Transaction, the Issuer issued $800,000 Series 2021-1 3.584% Fixed Rate Senior Secured Notes (the "Series 2021-1 Senior Notes"). The Series 2021-1 Senior Notes have an anticipated repayment date of April 30, 2028, and a final maturity date of April 30, 2051. Scheduled principal payments of $2,000 and interest are paid quarterly. As of December 31, 2024 and 2023, the Series 2021-1 Senior Notes had $772,000 and $780,000 outstanding, respectively.

Additionally, the Securitization Transaction provided for a $10,000 variable rate Delayed Draw Class A-1-LR Senior Note ("Series 2021-1 Class A-1 Notes"), with a final maturity date of April 30, 2051, which is only available for limited purposes and may not be drawn by the Issuer. Interest on draws is paid weekly at the Secured Overnight Financing Rate (SOFR) plus 300 basis points. As of December 31, 2024 and 2023, no borrowings had been made on the Series 2021-1 Class A-1 Notes.

The Securitization Transaction also provided for a $30,000 variable rate Class A-1-VFN Senior Note (the "2021 VFN facility"), with a maturity date of April 30, 2026, and two one-year extension options. Interest on borrowings is paid quarterly at SOFR, plus 266 basis points. As of December 31, 2024, $8,000 of borrowings were outstanding on the 2021 VFN facility and availability was $5,050.

For the year ended December 31, 2023, the Company had no borrowings on the facility and availability was $13,050. Issued and undrawn letters of credit under the VFN facility were $16,950 as of December 31, 2024 and 2023. Undrawn letters of credit under the VFN facility incur interest at a rate of 2.66%, which is payable quarterly. The Company considered the upcoming maturity of the 2021 VFN Facility and concluded it has the unilateral ability to extend the maturity date to April 2027, if certain conditions are met. The Company evaluated the conditions precedent and concluded they will be met throughout 2025; therefore, the Company will have the unilateral ability to extend and intends to execute the extension prior to the initial maturity date of April 30, 2026.

On January 19, 2022, the Company, through the Issuer, issued $410,000 Series 2022-1 3.695% Fixed Rate Senior Secured Notes (the "Series 2022-1 Senior Notes") through a second whole business securitization transaction (the "Second Securitization Transaction"). The Series 2022-1 Senior Notes have an anticipated repayment date of January 30, 2029, and a final maturity date of January 30, 2052. Scheduled principal payments of $1,025 and interest are paid quarterly. As of December 31, 2024 and 2023, $398,725 and $402,825 was outstanding on the Series 2022-1 Senior Notes, respectively.

Additionally, the Second Securitization Transaction provided for a $4,000 variable rate Delayed Draw Class A-1-LR Senior Note (the "Series 2022-1 Class A-1 Notes"), with a final maturity date of January 30, 2052, which is only available for limited purposes and may not be drawn by the Issuer. Interest on draws is paid weekly at a rate equal to Prime plus 300 basis points. As of December 31, 2024 and 2023, no draws had been made on the Series 2022-1 Class A-1 Notes.

In conjunction with the Second Securitization Transaction, $10,353 in transaction fees were capitalized as deferred financing costs to be amortized over the anticipated term of the notes using the straight-line method, which material approximates the effective interest rate method. For the years ended December 31, 2024 and 2023, respectively, a total of $1,494 and $1,510 of previously capitalized deferred financing costs related to the Second Securitization Transaction were amortized to interest expense on the Consolidated Statements of Operations and Comprehensive Income (Loss).

On February 3, 2023, the Company, through its indirect, wholly owned subsidiary, Neighborly Issuer LLC, issued $275,000 Series 2023-1 7.308% Fixed Rate Senior Secured Notes (the "Series 2023-1 Senior Notes") through a third whole business securitization transaction (the "Third Securitization Transaction"). The Series 2023-1 Senior Notes have an anticipated repayment date of January 30, 2028, and a final maturity date of January 30, 2053. Scheduled principal payments of $687 and interest are paid quarterly. As of December 31, 2024 and 2023, $270,188 and $272,938 was outstanding on the Series 2023-1 Senior Notes, respectively.

Additionally, the Third Securitization Transaction provided for a $5,025 variable rate Delayed Draw Class A-1-LR Senior Note (the "Series 2023-1 Class A-1 Notes"), with a final maturity date of January 30, 2053, which is only available for limited purposes and may not be drawn by the Issuer. On December 11, 2024, the Series 2023-1 Class A-1 Notes maturity date was amended to change to January 30, 2055. Interest on draws is paid weekly at a rate equal to SOFR plus 300 basis points. As of December 31, 2024, no draws had been made on the Series 2023-1 Class A-1 Notes.

The Third Securitization Transaction also provided for a $125,000 variable rate Class A-1-VFN Senior Note (the "2023 VFN facility"), with a maturity date of January 30, 2026, with two one-year extension options. Interest on borrowings is paid quarterly at SOFR, plus 350 basis points. As of December 31, 2024, the Company had borrowings outstanding of $75,000 on the 2023 VFN facility

and had $50,000 of availability. As of December 31, 2023, borrowings outstanding on the 2023 VFN facility were $25,000, and availability was $100,000. The Company considered the upcoming maturity of the 2023 VFN Facility and concluded it has the unilateral ability to extend the maturity date to January 2027, if certain conditions are met. The Company evaluated the conditions precedent and concluded they will be met throughout 2025; therefore, the Company will have the unilateral ability to extend and intends to execute the extension prior to the initial maturity date of January 30, 2026.

In conjunction with the Third Securitization Transaction, $14,177 in transaction fees were capitalized as deferred financing costs, to be amortized over the anticipated term of the notes using the effective interest method. For the years ended December 31, 2024 and 2023, $2,868 and $2,654 of previously capitalized deferred financing costs related to the Third Securitization Transaction were amortized to interest expense on the Consolidated Statements of Operations and Comprehensive Income (Loss), respectively.

On December 11, 2024, the Company, through its indirect, wholly owned subsidiary, Neighborly Issuer LLC, entered into a $75,000 variable rate Class A-1-VFN Senior Note (the "2024 VFN Facility") through a fourth whole business securitization transaction (the "Fourth Securitization Transaction"). The 2024 VFN Facility has an anticipated repayment date of January 30, 2030 with two one-year extension options. Interest on borrowings is paid quarterly at SOFR, plus 240 basis points. As of December 31, 2024, borrowings outstanding on the 2024 VFN facility were $75,000, and no availability.

In conjunction with the Fourth Securitization Transaction in 2024, $3,241 in transaction fees were capitalized as deferred financing costs in 2024, to be amortized over the anticipated term of the notes on a straight line basis which approximates the effective method. Amortization was negligible in 2024.

The Series 2023-1 Senior Notes and the 2024 VFN Facility issued in conjunction with the securitization transaction are secured by substantially all assets of the Securitization Entities and guaranteed by the Securitization Entities. Proceeds were distributed to Neighborly's parent company to extinguish debt incurred by the parent to fund the Company's acquisitions.

The Series 2021-1 Senior Notes, the Series 2022-1 Senior Notes, the Series 2023-1 Senior Notes, the Series 2021-1 Class A-1 Notes, the Series 2022-1 Class A-1 Notes, the Series 2023-1 Class A-1 Notes, and VFN facilities described above issued in conjunction with the Securitization Transaction, the Second Securitization Transaction, the Third Securitization Transaction and the Fourth Securitization Transaction (together, the "Securitization Transactions") are secured by substantially all assets of Neighborly Issuer LLC and the other Securitization Entities, and guaranteed by the Issuer and such Securitization Entities, each of which is a bankruptcy remote entity and which owned substantially all of the Company's US intellectual property including tradenames, franchise agreements, national account relationships and systems-in-place, as well as the UK tradenames as of the date of issuance. The restrictions placed on the Issuer and its subsidiaries require that interest and scheduled principal payments on the Series 2021-1 Senior Notes, Series 2022-1 Senior Notes, Series 2023-1 Senior Notes, the Series 2021-1 Class A-1 Notes, the Series 2022-1 Class A-1 Notes, and the Series 2023-1 Class A-1 Notes be paid prior to any residual distributions to the Manager, and amounts are segregated weekly to ensure appropriate funds are reserved to pay the quarterly interest and scheduled principal amounts due. The amount of weekly cash flow that exceeds all expenses and obligations of the Issuer and its subsidiaries is generally remitted to the Manager in

the form of a distribution. The Manager also receives a fee for the services it provides to the Securitization Entities that is senior to debt service. The Securitization Transactions require, among other things, maintenance of minimum debt-service coverage ratio levels and additional incurrence of indebtedness and scheduled amortization requirements are subject to compliance with maximum leverage ratio levels. As of December 31, 2024 and 2023, the Issuer was in compliance with all debt-service coverage covenants.

The Company's long-term debt and trade notes receivable bear interest at market rates. Thus, management believes their carrying amounts approximate fair value.

Debt consists of the following as of December 31:

		2024		2023
Series 2021-1 Senior Notes	**$**	**772,000**	$	780,000
Series 2022-1 Senior Notes		**398,725**		402,825
Series 2023-1 Senior Notes		**270,188**		272,938
2021 VFN Facility		**8,000**		-
2023 VFN Facility		**75,000**		25,000
2024 VFN Facility		**75,000**		-
Total carrying value of debt		**1,598,913**		1,480,763
Less: Deferred financing costs		**(17,752)**		(18,919)
Total net debt		**1,581,161**		1,461,844
Less: current portion		**(10,051)**		(10,488)
Long-term debt	**$**	**1,571,110**	$	1,451,356

Future maturities of long-term debt based on principal payments outstanding as of December 31, 2024, are as follows:

Years ending December 31,	
2025	$ 14,850
2026	14,850
2027	14,850
2028	754,850
2029	385,075
Thereafter	414,438
	$ 1,598,913

4. Intangible Assets and Goodwill

Intangible assets as of December 31, 2024, consisted of the following:

	Useful Life	Gross Amount	Accumulated Impairment	Accumulated Amortization	Net Amount
Tradenames	3-20 years	$ 996,297	$ 10,248	$ 158,895	$ 827,154
Franchise relationships	15 years	612,607	418	135,273	476,916
National accounts	15 years	3,248	148	624	2,476
Insurance company relationships	15 years	2,300	-	511	1,789
Customer relationships	3-10 years	17,834	-	7,612	10,222
Franchise rights	1-7 years	12,200	-	5,154	7,046
Developed technology	3 years	720	-	631	89
Copyrights	5 years	140	-	93	46
Total definite-lived intangibles		$ 1,645,347	$ 10,814	$ 308,793	$ 1,325,738

	Useful Life	Gross Amount	Accumulated Impairment	Net Amount
Domain name	Indefinite	$ 1,314	-	$ 1,314
Total indefinite-lived intangibles		$ 1,314	-	$ 1,314

Intangible assets as of December 31, 2023, consisted of the following:

	Useful Life	Gross Amount	Accumulated Impairment	Accumulated Amortization	Net Amount
Tradenames	3-20 years	$ 1,001,190	$ 10,248	$ 111,600	$ 879,342
Franchise relationships	15 years	613,289	418	94,631	518,240
National accounts	15 years	3,138	148	424	2,566
Insurance company relationships	15 years	2,300	-	358	1,942
Customer relationships	3-10 years	17,848	-	4,594	13,254
Franchise rights	1-7 years	12,200	-	3,495	8,705
Developed technology	3 years	720	-	436	284
Copyrights	5 years	143	-	66	77
Total definite-lived intangibles		$ 1,650,828	$ 10,814	$ 215,604	$ 1,424,410

	Useful Life	Gross Amount	Accumulated Impairment	Net Amount
Domain name	Indefinite	$ 1,314	-	$ 1,314
Total indefinite-lived intangibles		$ 1,314	-	$ 1,314

Amortization expense was $96,830 and $96,710 for the years ended December 31, 2024 and 2023, respectively. Estimated amortization expense for the subsequent five years is as follows:

Years ending December 31,	
2025	$ 95,561
2026	95,463
2027	94,618
2028	92,964
2029	91,718
Thereafter	855,410
	$ 1,325,738

Goodwill

The Company has assigned goodwill to its reporting units based on fair valuation analysis completed for the acquisition of the parent by KKR and from the Company's acquisitions on September 1, 2021, and any subsequent acquisitions.

The changes in the carrying amount of goodwill are as follows:

	December 31, 2024	2023
Balance at beginning of period	**$ 1,741,101**	$ 2,154,115
Adjustment to goodwill for unrealized gain/loss on foreign currency	**(1,922)**	4,577
Goodwill impairment	**-**	(417,591)
Balance at end of period	**$ 1,739,179**	$ 1,741,101

5. Equity-based Compensation

In September 2021, Nest Management LP, a co-investor with KKR, created a profits interest plan which provides for profits interest award grants of Nest Holdings LP and its subsidiaries. A total of 202,843,686 profits interests units were approved to be granted under the plan.

On October 27, 2021, and certain dates thereafter, Nest Management LP granted awards under the plan. The profits interests are exercisable only to the extent they are vested, and do not expire. Generally, vesting of a portion of the profits interests (50%) is subject to the passage of time; the remaining (50%) vest based on achievement of defined financial criteria upon a liquidity event of the Company. Based on continuous employment, time-based profits interest units vest 20% annually, for each of five years.

The Company accounts for equity-based compensation in accordance with ASC 718, Compensation-Stock Compensation, which requires the fair value of equity-based payments to be recognized in the consolidated statements as compensation expense over the requisite service period. For time-based awards, compensation expense is recognized on a straight-line basis, net of forfeitures which

are recognized as they occur, over the requisite service period for awards that actually vest. For performance-based awards, compensation expense is estimated based on

achievement of performance conditions and is recognized over the requisite service period for awards that actually vest. Equity-based compensation expense is recorded in the equity-based compensation line in the consolidated statements of operations.

The average grant date fair value of awards under the Nest Management LP profits interest plan was determined using Monte-Carlo simulation, and was $0.36 per unit for awards in the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023 no units were both vested and exercisable.

Equity-based compensation expense recorded for the years ended December 31, 2024 and 2023 was $3,130 and $4,194, respectively. As of December 31, 2024, unamortized stock compensation expense to be recognized in future years was $9,707.

	Number of Underlying Units
Outstanding – December 31, 2022	138,245,959
Granted	16,124,890
Forfeited	(32,158,970)
Redeemed	-
Outstanding – December 31, 2023	122,211,879
Granted	48,017,602
Forfeited	(36,223,635)
Redeemed	-
Outstanding – December 31, 2024	134,005,848
Vested and Exercisable – December 31, 2024	-

6. Trade Notes Receivable

The Company periodically receives notes from the sale of new franchises. The rights to the related franchise territory sold generally collateralize these notes. The Company also from time-to-time receives notes for delinquent franchise service fees. Such notes, as of December 31, 2024 and 2023, bear interest at rates typically ranging from 9% to 12% and generally require equal monthly installments over a life of one to ten years.

A summary of trade notes receivable as of December 31 is as follows:

	2024	2023
Amounts due within one year, net of allowance for credit losses of $1,167 and $464 as of December 31, 2024 and 2023, respectively	**$ 7,776**	$ 9,777
Amounts due after one year, net of allowance for credit losses of $2,105 and $2,155 as of December 31, 2024 and 2023, respectively	**13,577**	15,894
Total trade notes receivable, net	**$ 21,353**	$ 25,671

An analysis of the changes in trade notes receivable is as follows:

	Year Ended December 31, 2024	2023
Gross trade notes receivable, beginning of period	**$ 28,290**	$ 30,228
Principal payments received	**(17,660)**	(16,605)
Notes issued	**14,978**	15,243
Net write-offs	**(946)**	(574)
Foreign currency translation	**(37)**	(2)
Gross trade notes receivable, end of period	**24,625**	28,290
Allowance for credit losses	**(3,272)**	(2,619)
Net trade notes receivable, end of period	**$ 21,353**	$ 25,671

An analysis of the changes in the trade notes receivable allowance is as follows:

	Year Ended December 31, 2024	2023
Allowance, beginning of period	**$ 2,619**	$ 1,874
Provision for credit losses	**1,600**	1,303
Net write-offs	**(946)**	(574)
Foreign currency translation	**(1)-**	16
Allowance, end of period	**$ 3,272**	$ 2,619

Scheduled future maturities of trade notes receivable are as follows:

Years ending December 31,	
2025	$ 8,943
2026	5,208

2027	4,086
2028	2,957
2029	2,011
Thereafter	1,420
	$ 24,625

7. Property and Equipment

A summary of property and equipment as of December 31 is as follows:

	2024	2023
Land	**$ 2,561**	$ 1,720
Building and improvements	**36,403**	31,157
Machinery and equipment	**10,690**	8,843
Hardware	**8,564**	6,519
Software	**54,907**	40,940
Furniture and fixtures	**2,033**	4,234
Vehicles	**12,151**	9,428
Vehicles under financing lease	**25,150**	19,028
Total property and equipment	**152,459**	121,869
Less accumulated depreciation	**(60,301)**	(32,732)
Property and equipment – net	**$ 92,158**	$ 89,137

Depreciation expense was $26,846 and $20,219 for the years ended December 31, 2024 and 2023, respectively.

8. Leases

The Company's primary operating lease commitments consist of leases for office and retail space for its company-operated stores and corporate offices. The Company leases vehicles under financing lease agreements expiring at various dates through 2029.

We determine whether an agreement contains a lease at inception based on our right to obtain substantially all of the economic benefits from the use of the identified asset and the right to direct the use of the identified asset. The Company does not to recognize a right-of-use asset and a lease liability for leases with an initial term of twelve months or less. Lease liabilities represent the present value of future lease payments and the right-of-use (ROU) assets represent our right to use the underlying assets for the respective lease terms. The Company does not separate lease and non-lease components for new and modified leases after the adoption date, and instead accounts for each separate lease component of a contract and its associated non-lease components as a single lease component.

The operating lease liability is measured as the present value of the unpaid lease payments and the ROU asset is derived from the calculation of the operating lease liability. Other than for leased vehicles, our leases do not generally provide an implicit rate and we use our incremental borrowing rate as the discount rate to calculate the present value of lease payments. The incremental borrowing rate represents an estimate of the interest rate that would be required to borrow over a similar term, on a collateralized basis in a similar economic environment.

Rent escalations occurring during the term of the leases are included in the calculation of the future minimum lease payments and the rent expense related to these leases is recognized on a straight-line basis over the lease term. In addition to minimum lease payments, certain leases require payment of a proportionate share of real estate taxes and certain building operating expenses allocated on a percentage of sales in excess of a specified base. These variable lease costs are not included in the measurement of the ROU asset or lease liability due to unpredictability of the payment amount and are recorded as lease expense in the period incurred. The ROU asset is adjusted to account for previously recorded lease-related expenses such as deferred rent and other lease liabilities.

The components of lease cost are as follows (in thousands):

	December 31, 2024	2023
Operating lease cost	$ **7,149**	$ 7,855
Variable lease cost	**324**	272
Finance lease cost:		
Amortization of right-of-use assets	**7,849**	5,079
Interest on lease obligations	**1,088**	720
Total lease cost	$ **16,411**	$ 13,926

The table below presents additional information related to the Company's leases:

	December 31, 2024	2023
Weighted average remaining lease term (in years):		
Operating leases	**5.1**	5.2
Finance leases	**2.5**	3.2
Weighted average discount rate:		
Operating leases	**4.2**%	3.4%
Finance leases	**6.3**%	6.1%

Other information related to leases, including supplemental disclosures of cash flow information, is as follows (in thousands):

	For the Years Ended December 31, 2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	**$ 7,359**	$ 7,857
Operating cash flows from finance leases	**861**	572
Financing cash flows from finance leases	**4,749**	3,455
Right-of-use assets obtained in exchange for operating lease liabilities	**1,876**	2,620

Maturities of lease liabilities are as follows as of December 31, 2024 (in thousands):

Years ending December 31,	Operating leases	Finance leases	Total
2025	$ 6,132	$ 6,692	$ 12,823
2026	5,057	6,941	11,998
2027	3,423	2,854	6,277
2028	2,902	1,134	4,035
2029	2,029	210	2,240
Thereafter	4,089	-	4,089
Total lease payments	$ 23,631	$ 17,831	$ 41,462
Less: Interest	2,591	1,612	4,203
Total lease liabilities	$ 21,040	$ 16,219	$ 37,258
Less: Current lease liabilities	5,401	5,941	11,342
Non-current lease liabilities	$ 15,639	$ 10,278	$ 25,917

Rent expense for operating leases was $7,149 for the year ended December 31, 2024. Total lease cost was $16,411 for the year ended December 31, 2024, including finance lease costs and variable lease costs. Rent expense for operating leases was $7,855 for the year ended December 31, 2023. Total lease cost was $13,926 for the year ended December 31, 2023, including finance lease costs and variable lease costs.

9. Income Taxes

The income tax benefit is as follows:

For the years ending December 31,	2024	2023
Current:		
Federal	**$ 10,911**	$ 16,845
State	**2,002**	2,958
Foreign	**(202)**	766
Total current	**12,710**	20,569
Deferred:		
Federal	**(18,525)**	(32,983)
State	**(979)**	(5,619)
Foreign	**(1,147)**	(5,757)
Total deferred	**(20,651)**	(44,359)
Total income tax benefit	**$ (7,941)**	$ (23,790)

A reconciliation of the income tax benefit at statutory rates to the income tax benefit at effective is as follows:

For the years ending December 31,	2024	2023
Federal income taxes at statutory rate	**$ (9,882)**	$ (97,180)
State taxes	**602**	(3,282)
Permanent differences	**1,452**	77,266
Foreign currency adjustment	**6**	55
Tax rate change	**-**	(258)
Deferred balance adjustment	**63**	1,653
Tradename sale to SPV	**-**	(914)
Other NOL	**29**	-
Payables adjustment	**(1,581)**	(1,130)
Other	**1,370**	-
Total income tax benefit	**$ (7,941)**	$ (23,790)

The Company's effective income tax rate is 16.87% and 5.14% for the years-ended December 31, 2024 and 2023, respectively. The Company's overall global effective income tax rate differs from the statutory US Federal income tax rate of 21.00% due to state income taxes and the state income

tax rate change applied to the Company's net US deferred tax liabilities, , and adjustments to the beginning of the tax period accounts.

The components of deferred income tax assets and liabilities as of December 31 are as follows:

	2024	2023
Deferred tax assets:		
Accounts receivable allowance	$ 777	$ 540
Accrued expenses	439	1,670
Notes receivable allowance	794	820
Net operating loss carryforwards	599	513
Interest expense limitation	43,200	32,083
Deferred revenue	15,342	13,850
Operating lease liability	4,669	6,569
Other	3,358	3,423
Total deferred tax assets	69,178	59,468
Deferred tax liabilities:		
Prepaid expenses	(1,052)	(562)
Property and equipment	(10,093)	(8,946)
Intangible assets and goodwill	(250,731)	(263,703)
Interest rate swap	(6)	(6)
Operating lease right-of use assets	(5,007)	(6,845)
Other	(1,927)	(186)
Total deferred tax liabilities	(268,816)	(280,248)
Net deferred tax liabilities	$ (199,638)	$ (220,780)

For the periods ended December 31, 2024 and 2023, no change was recorded for uncertain tax provisions, and the balance was ($641). As of December 31, 2024, no interest or penalty has been accrued or recognized by the Company related to ASC 740-10 Income Taxes.

The Company reported net operating losses in the following jurisdictions as of December 31:

Jurisdiction		**2024**		2022	Expiration
US Federal	**$**	**-**	$	-	Indefinite
US State		**17,100**		17,085	Various
United Kingdom		**-**		-	Indefinite
Germany		**-**		-	Indefinite
Austria		**-**		-	Indefinite
Canada		**-**		91	20 Years
Total	**$**	**17,100**	$	17,176	

The Company files a US consolidated federal income tax return for Nest Holdings, Inc. and Subsidiaries which includes Neighborly Company. State returns are filed on either a separate company or consolidated return basis. The company also files separate returns where required for the various LLC entities. The Company's subsidiaries file income tax returns in Canada, Germany, the UK and Austria.

The Company files US state income tax returns in nearly every state in the US. Many of the state return filings reflect net operating loss carryovers computed on a post-apportionment basis, while several states compute operating loss carryovers on a pre-apportionment basis. The US state income tax effect of the net operating loss carryforwards, net of federal income tax, amounted to $1,048 and $938 at December 31, 2024 and 2023, respectively. The state net operating losses have varying carryover periods. The Company expects to fully utilize all net operating loss carryovers prior to expiration.

The Company has no current or pending IRS examinations. US Federal income tax returns for years ended August 31, 2021, December 31, 2021, December 31, 2022, and December 31, 2023 remain open for examination. State income tax returns remain open for similar years, and several states having a longer statute remain open for examination. The Company has timely filed all federal and state income tax returns.

The UK entities have no prior or pending tax examinations with HMRC. The UK corporation tax process is one of self-assessment. Following filing of the tax return, HMRC has a period of (usually) 12 months in which to raise formal inquiries. These can range from simple information requests to detailed technical challenges over treatments adopted in the tax return. HMRC has made no requests. The December 31, 2023, corporate tax returns remain open for examination. The UK entities have timely filed all corporate income tax returns.

The German entities are currently under review by the BZSt. The statute of limitations for examination is four (4) years from the end of the year in which the return was filed. Tax returns for years ended December 31, 2020, and forward remain open for examination. The German entities have timely filed all corporate income tax returns.

The US and foreign entities operate under transfer pricing agreements that control the pricing of intercompany management services, interest and royalties.

The Company has both the intent and ability to reinvest foreign earnings, therefore deferred tax liabilities have not been recorded on either unremitted earnings, components of other comprehensive income, or applicable foreign withholding taxes.

10. Related Party Transactions

On September 1, 2021, a Monitoring Agreement was entered into with Kohlberg Kravis Roberts & Co and Harvest Partners under which the Company will pay certain fees and expenses under the terms of the Monitoring Agreement. For the years ended December 31, 2024 and 2023, the Company recognized management and board fees and expenses of $3,641 and $4,638, respectively, in the Management and board fees and expenses line item in the Company's consolidated statements of operations. Additionally, the Company paid $750 to a related party in the year ended December 31, 2024 for services related to the 2024 VFN Facility. These costs are included in general and administrative expenses on the Consolidated Statement of Operations.

11. Contingencies

The Company is engaged in various legal proceedings incidental to its normal business activities. Management has determined that it is not probable that the Company has incurred any loss contingencies as defined in FASB ASC Topic 450, Contingencies. Accordingly, no liabilities have been accrued for these matters as of December 31, 2024 and 2023. Management believes that the outcome of such matters will not have a material effect on the Company's consolidated financial statements.

12. Employee Benefit Plan

The Company sponsors a 401(k) plan covering the majority of its employees. Plan participants may contribute up to 70% (subject to Internal Revenue Service limitations) of their annual compensation before taxes for investment in several specified alternatives. Employees are fully vested with respect to their contributions. The Company may match a percentage of employee contributions as determined at the discretion of the Board of Directors. Company contributions recognized totaled $2,939 and $2,599 for the years ended December 31, 2024, and 2023, respectively.

13. Subsequent Events

In preparation of its financial statements, the Company considered subsequent events through March 31, 2024, which was the date the Company's financial statements were available to be issued.

EXHIBIT D

PARENT GUARANTEE

GUARANTEE OF PERFORMANCE

For value received, NEIGHBORLY ASSETCO LLC, a Delaware limited liability company (the "Guarantor"), located at 1010 North University Parks Drive, Waco, Texas 76707, absolutely and unconditionally guarantees to assume the duties and obligations of **JUNK KING SPV LLC**, a Delaware limited liability company, located at 1010 North University Parks Drive, Waco, Texas 76707 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Waco, Texas on the 1st day of April, 2026.

Guarantor: NEIGHBORLY ASSETCO LLC

By: Malia Gelfo
Malia Gelfo, SVP, Corporate Controller

EXHIBIT E

CURRENT FRANCHISEES
IN THE UNITED STATES AS OF DECEMBER 31, 2025

Note: This list is arranged alphabetically by state and then alphabetically by cities in each state.

State	Principal Owner	Phone Number	Address	City, State, Zip Code
Alabama	McPeters, Jeff: JUKAL900	(205) 753-9313	64 Highway 265, Suite 505	Alabaster, AL 35007
Alabama	McPeters, Jeff: JUKAL899	(205) 753-9313	2217 Finley Blvd.	Birmingham, AL 35234
Arizona	Farris, Aaron Scott, et al: Titan Partners Phoenix LLC JUNK895A	(816) 296-6398	2270 S. Airport Boulevard #3	Chandler, AZ 85286
Arizona	Farris, Aaron Scott, et al: Titan Partners Phoenix LLCJUKAZ896A	(816) 296-6398	2270 S. Airport Blvd., Suite 3	Chandler, AZ 85286
Arizona	Farris, Aaron: Titan Partners Phoenix LLC JUK898A	(316)-230-0519	9543 W. Sahuaro Drive	Peoria, AZ 85345
Arizona	Farris, Aaron: Titan Partners Phoenix LLC JUK900A	(316)-230-0519	2115 W. Shangri La Road, Suite 6	Phoenix, AZ 85029
Arizona	Farris, Aaron: Titan Partners Phoenix LLC JUK899A	(316)-230-0519	2105 S. Hardy Drive, Suite 2	Tempe, AZ 85282
Arizona	Prince, Marnie: Prince Hauling, LLC JUKAZ897	(503) 688-8864	1870 W. Prince Road #64	Tucson, AZ 85705
Arizona	Clock, Eric: Zero Waste Nation LLC JUKAZ901	(270) 404-5114	6413 N. 171st Lane	Waddell, AZ 85355
Arkansas	Needham, Mike: NEEDJUNK, LLC JUKAR900	(479) 644-4300	3307 SW 14th Street, Suite A	Bentonville, AR 72712
California	Burgess III, Donald: Jeila Enterprises LLC JUKCA878	(559) 367-7043	3624 Buck Owens Boulevard, Suite 14	Bakersfield, CA 93308
California	Chin, Michelle: Flagship JKBAY Inc. JUKCA898A	(415) 886-4588	171 Industrial Way	Brisbane, CA 94005
California	Bonavita, John: North County SD Recycling LLC JUKCA892	(760) 444-4704	2790 West Loker Avenue, Suite 1131	Carlsbad, CA 92010
California	Poh, Benjamin: Royal California Services Corporation JUKCA104	(510) 316-3229	5660 Kenneth Avenue, Apt A	Carmichael, CA 95608

State	Principal Owner	Phone Number	Address	City, State, Zip Code
California	Lopez, Rolando: Brick-A-Brac LLC JUKCA877	(323) 445-4597	29435 The Old Road	Castaic, CA 91384
California	Adi, Hadianto: Charis Group Inc. JUKCA884	(626) 641-556	10041 Canoga Avenue, Unit B	Chatsworth, CA 91311
California	Burgess III, Donald: Jeila Enterprises LLC JUKCA886	(559) 367-7043	2890 N. Larkin Avenue #104	Fresno, CA 93727
California	Pace IV, William: Prosperous Families Investing, LLC. (JUKCA896A	(925)-522-9280	900 Whispering Pines Lane #100	Grass Valley, CA 95945
California	Turrini, Lee D: Turrini Ventures Incorporated JUKCA894	(949) 677-1132	9272 Jeronimo Road, #108	Irvine, CA 92618
California	Guzman, Mario: MEGuzman, Inc. JUKCA887	(831) 206-6771	455 Reservation Road, Suite A	Marina, CA 93933
California	Oakley, Justin: JUKCA881	(714) 267-8529	26048 Wickerd Road	Menifee, CA 92584
California	Verga, Matthew and Pollock, Margaret: Black Horse Recycling, Inc. JUKCA893	(707) 787-7538	1364 N. McDowell Blvd.	Petaluma, CA 94954
California	Chin, Michelle: Flagship JKBAY Inc. JUKCA900A	(415) 886-4588	61 Renato Court	Redwood City, CA 94061
California	Poh, Benjamin: Royal California Services Corporation JUKCA889A	(510) 316-3229	180 Promenade Circle #300	Sacramento, CA 95834
California	Chin, Michelle: Flagship JKBAY Inc. JUKCA899A	(415) 866- 4588	1485 Bayshore Boulevard, #225	San Francisco, CA 94124
California	Zouzounis, Kevin: JUKCA897	(650) 533-2606	2842 S. Bascom Avenue	San Jose, CA 95124
California	Turrini, Lee D: Turrini Ventures Incorporated JUKCA102	(949) 677-1132	1791 Terry Lynn Drive	Santa Ana, CA 92705
California	Campbell, Michael: Greener California Inc. JUKCA882A	(949) 473-4222	2735 Via Orange Way, Suite 104	Spring Valley, CA 91978
California	Duenas, Carlos: CV Duenas LLC JUKCA891	(650) 228-9867	2448 S Hwy 99 Frontage Road, Suite 14	Stockton, CA 95215
California	Wong, Jeff: JUKCA890	(310) 560-9540	2908 Oregon Court, Suite I-1	Torrance, CA 90503

State	Principal Owner	Phone Number	Address	City, State, Zip Code
Colorado	Durant, Paul: Durant Enterprises, Inc. JUKC0898	(720) 878-2757	349 Massachusetts Avenue	Berthoud, CO 80513
Colorado	Durant, Paul: Durant Enterprises, Inc. JUKC0896	(720) 878-2757	5485 Conestoga Court, Suite 110k	Boulder, CO 80301
Colorado	Busby, Linda: Plains Chimney Rock Ranch, LLC JUKCO899	(719) 761-6120	8680 Shoup Road	Colorado Springs, CO 80908
Colorado	Donovan, David: Stormy Gayle Enterprises LLC JUKCO897	(720) 648-6708	2401 S. Raritan	Englewood, CO 80110
Colorado	Donovan, David: Stormy Gayle Enterprises LLC JUKCO900	(720) 648-6708	2401 S. Raritan	Englewood, CO 80110
Connecticut	McCabe, Thomas: JUKCCT900	(203) 314-7967	15 Great Pasture Road, #9B	Danbury, CT 06810
Connecticut	Hussain, Arshad: Zero Waste L.L.C. JUKCT899A	(860) 977-0167	132 Pepes Farm Road, Unit 1	Milford, CT 06460
Connecticut	Hussain, Arshad: Zero Waste L.L.C. JUKCT898A	(860) 977-0167	635 New Park Avenue, Suite 3B-1 & 3B-2	West Hartford, CT 06110
District of Columbia	Graham, Daniel: JUKDC900	(703) 424-6334	8900 Edgeworth Drive, Suite H	Capitol Heights, MD 20743
Florida	Michel, Melissa: Anchor Carting, LLC JUKFL891	(954) 328-9952	1140 Holland Drive, Suite 8	Boca Raton, FL 33487
Florida	Martinez Ortiz, Jordi: JUKFL893	(305) 815-8068	10715 S.W. 190th Street, Suite 7	Cutler Bay, FL 33157
Florida	Garcia, Omar: 3D Junk, LLC JUKFL897	(561) 720-4937	10760 N.W. 138th Street, Unit 4	Hialeah Gardens, FL 33018
Florida	Selvaraj, Ananthi, Et Al: Dhochin Recycling Jax LLC JUKFL892A	(904) 793-0476	2727 Clydo Road, Unit 6	Jacksonville, FL 32207
Florida	Gillett, Kristina & Basagoitia: Xclusive Automotive Group, LLC JUKFL887A	(347) 683-2462	1311 Central Terrace	Lake Worth, FL 33467
Florida	Gillett, Kristina & Basagoitia: Xclusive Automotive Group, LLC JUKFL898A	(347) 683-2462	1311 Central Terrace	Lake Worth, FL 33467
Florida	Guzman, Alondra: ABG Plumbing Services LLC JUKFL101	(787) 513-9717	1270 Lake Washington Road, Suite B	Melbourne, FL 32935

State	Principal Owner	Phone Number	Address	City, State, Zip Code
Florida	Posca, Shauna: Posca, LLC JUKFL888	(239) 293-9018	3945 Tollhouse Drive, Unit 908	Naples, FL 34114
Florida	Michel, Melissa: Anchro Carting, LLC JUKFL890	(954) 328-9952	881 NE 30th Street	Oakland Park, FL 33334
Florida	Borges, Jose: JAB Hauls LLC. JUKFL889A	(609) 571-2142	7175 S Pine Avenue, Suite D	Ocala, FL 34480
Florida	Selvaraj, Ananthi, Et Al: Dhochin Recycling Orl LLC JUKFL894A	(904) 793-0476	3038 N. John Young Parkway, Unit 32	Orlando, FL 32804
Florida	Jones, Peter: Zosan, Inc.: JUKFL901	(404)-375-8027	6581 43rd Street N	Pinellas Park, FL 33781
Florida	Wright, Alisa & Paul: Junk Queen Green LLC JUKFL899A	(813) 624-5049	4848 Palm Aire Drive	Sarasota, FL 34243
Florida	Miller, Kelly: Get Dirty Corporation JUKFL900	(850) 445-0038	4003 Crawfordville Road	Tallahassee, FL 32305
Georgia	Wallace, Melanie: WMR Enterprises, LLC JUKGA896	(404) 401-9533	3700 Wendell Drive, Suite #16	Atlanta, GA 30336
Georgia	Van Buren, Harry: Georgia Kudzu Corporation JUKGA900	(706) 969-8566	1712 Lumpkin Campground Road South	Dawsonville, GA 30542
Georgia	Peluso, Ragan: DRTR Enterprises LLC JUKGA894	(770) 872-8188	183 Martin Luther King Jr. Drive	Forsyth, GA 31029
Georgia	Wallace, Melanie: WMR Enterprises, LLC JUKGA897	(404) 401-9533	6611 Tribble Street	Lithonia, GA 30058
Georgia	Van Buren, Harry: Georgia Kudzu Corporation JUKGA898	(706) 969-8566	3015 Canton Road, Suite 7	Marietta, GA 30066
Georgia	Van Buren, Harry: Georgia Kudzu Corporation JUKGA899	(706) 969-8566	4229 Steve Reynolds Boulevard, Suite 180	Norcross, GA 30093
Georgia	Smart, Tijay & Sirena: Antracus, LLC JUKGA895A	(832) 823-8328	121 Busch Road	Rincon, GA 31326
Idaho	Gebran, George: Bin There Dump That LLC JUKID900	(915) 204-6345	5107 Alworth Street	Boise, ID 83714
Illinois	Farris, Aaron: Titan Partners Chicago, LLC JUKIL894B	(316)-230-0519	323 Village Drive	Carol Stream, IL 60188

State	Principal Owner	Phone Number	Address	City, State, Zip Code
Illinois	Farris, Aaron: Titan Partners Chicago, LLC JUKIL899A	(316)-230-0519	3333 West Harrison Street	Chicago, IL 60624
Illinois	Farris, Aaron: Titan Partners Chicago, LLC JUKIL102A	(316)-230-0519	3333 W Harrison St	Chicago, IL 60624
Illinois	Farris, Aaron, Et Al: Titan Partners St. Louis, LLC JUKIL101A	(316) 230-0519	3325 Highway 162, Suite 4	Granite City, IL 62040
Illinois	Farris, Aaron: Titan Partners Chicago, LLC JUKIL895A	(316)-230-0519	28039 W. Commercial Avenue, Unit 5	Lake Barrington, IL 60010
Illinois	Farris, Aaron:Titan Partners Chicago, LLC JUKIL898A	(316) 230-0519	17406 Burnham Avenue	Lansing, IL 60438
Illinois	Farris, Aaron:Titan Partners Chicago, LLC JUKIL896A	(316) 230-0519	1333 S. Schoolhouse Road, Suite 300	New Lenox, IL 60451
Illinois	Farris, Aaron: Titan Partners Chicago, LLC JUKIL900A	(316)-230-0519	667 Academy Drive	Northbrook, IL 60062
Illinois	Farris, Aaron: Titan Partners Chicago, LLC JUKIL897A	(316)-230-0519	101 N. Marion Street, Suite 200	Oak Park, IL 60301
Indiana	Martin, Elgin: JK Indy LLC JUKIN897	(317) 727-0527	2701 Alma Street	Fort Wayne, IN 46809
Indiana	Martin, Elgin: JK Indy LLC JUKIN899	(317) 727-0527	200 E. Main Street, Suite B	Greenwood, IN 46143
Indiana	Martin, Elgin: JK Indy LLC JUKIN900	(317) 727-0527	7525 E. 39th Street, Suite 800	Indianapolis, IN 46226
Indiana	Farris, Aaron: Titan Partners Chicago, LLC JUKIN898A	(316)-230-0519	1575 E. 89th Avenue	Merrillville, IN 46410
Indiana	Shudnow, Marc: Melech Pisoles X LLC JUKIN896	(773) 988-0263	401 E. Colfax Avenue, Suite 180-09	South Bend, IN 46617
Iowa	Heffernan, Aaron: Central Iowa JK Junk Hauling, L.L.C. JUKIA900A	(641) 799-2273	1975 NW 92nd Court, Suite 8	Clive, IA 50325
Iowa	Fesenmeyer, Evan: L.L. Fezz, Inc. JUKIA899	(319) 239-1793	321 West 4th Street, Suite 1	Waterloo, IA 50701
Kansas	Farris, Aaron, Et Al: Titan Partners Kansas City, LLC JUKKS897B	(316) 230-0519	618 SE 4th Street, Suite 9	Lee's Summit, MO 64063

State	Principal Owner	Phone Number	Address	City, State, Zip Code
Kansas	Farris, Aaron, Et Al: Titan Partners Kansas City, LLC JUKKS900B	(316) 230-0519	8100 Marty Street	Overland Park, KS 66204
Kansas	Garrett, Brian: Garrett Holdings II LLC JUKKS901	(316) 833-1037	2334 N. Castle Rock Court	Wichita, KS 67228
Kentucky	McCreary, Judith: P & J MCC Legacy, Inc. JUKKY899	(513) 200-2612	609 Union Street	Covington, KY 41015
Kentucky	Wilson, Matthew: Wilson Operating Company LLC JUKKY900A	(502) 593-2879	1504 Petunia Avenue, Unit B	Louisville, KY 40218
Louisiana	McLaughlin, Robert: Junk Krewe LLC, JUKLA899A	(256) 694-6535	3185 Balis Drive, Suite 103	Baton Rouge, LA 70808
Louisiana	McLaughlin, Robert: Junk Krewe LLC, JUKLA897A	(256) 694-6535	22161 Marshall Road, Unit E	Mandeville, LA 70471
Louisiana	McLaughlin, Robert: Junk Krewe LLC, JUKLA898A	(256) 694-6535	671 Rosa Avenue, Suite 211	Metarie, LA 70005
Louisiana	McLaughlin, Robert: Junk Krewe LLC, JUKLA900A	(256) 694-6535	2828 Elysian Fields Avenue, Suite A	New Orleans, LA 70122
Maryland	Goel, Sumeet and Malhotra, Deepak: JKMD LLC JUKMD900A	(410) 202-6402	1520 Caton Center Drive #S	Baltimore, MD 21227
Maryland	Ottensmeyer, Nathan: ProJunk Inc. JUKMD897	(410) 458-4657	320 Baltimore Pike, Suite F	Bel Air, MD 21014
Maryland	Goel, Sumeet and Malhotra, Deepak: JKMD LLC JUKMD898A	(410) 202-6402	5570 Sterrett Place, #201	Columbia, MD 21044
Maryland	Goel, Sumeet and Malhotra, Deepak: JKMD LLC JUKMD899A	(410) 202-6402	609 Lofstrand Lane, Suite A	Rockville, MD 20850
Massachusetts	Martinez, Jose: WOMission LLC JUKMA899	(401) 580-7501	1 Westinghouse Plaza, Suite D117	Boston, MA 02136
Massachusetts	Pozerski, Scott: Massachusetts Junk Hauling Services, Inc. JUKMA898	(978) 212-3973	216 Tyngsboro Road	Chelmsford, MA 01863
Massachusetts	Peabody, Belanger, Jaryd, Happy Our Wash	((617) 470-4139	1 Reisner Way Suite A	Clinton, MA 01510

State	Principal Owner	Phone Number	Address	City, State, Zip Code
	& Dry Company, LLC JUKMA900A			
Massachusetts	Hughes, Thomas: JUKMA897	(405) 317-5262	38 Corporate Park, Unit 960	Pembroke, MA 02359
Massachusetts	Pozerski, Scott: Massachusetts Junk Hauling Services, Inc. JUKMA896	(781) 805-3310	155 New Boston Street, Suite 137	Woburn, MA 01801
Michigan	Wurmlinger, Johnathon and Kettlewell, Austin: AJ's Hauling Solutions, LLC JUKMI899A	(810) 941-2747	889 76th Street SW, Unit 5	Byron Center, MI 49315
Minnesota	Fogarty, Edward: E & S Fogarty Enterprises, Inc. JUKMN101	(651) 371-5958	1155 Falls Circle	Chaska, MN 55318
Minnesota	Fogarty, Edward: E & S Fogarty Enterprises, Inc. JUKMN900	(612) 916-5153	7398 Washington Avenue South	Eden Prairie, MN 55344
Minnesota	Fogarty, Edward: E & S Fogarty Enterprises, Inc. JUKMN899	(651) 371-5958	1430 County Road C West, Suite 200	Roseville, MN 55113
Missouri	Farris, Aaron, Et Al: Titan Partners St. Louis, LLC JUKMO898A	(316) 230-0519	3915 Dalton Industrial Court	Bridgeton, MO 63044
Missouri	Farris, Aaron, Et Al: Titan Partners St. Louis, LLC JUKMO900A	(316) 230-0519	3915 Dalton Industrial Court	Bridgeton, MO 63044
Missouri	Farris, Aaron, Et Al: Titan Partners Kansas City, LLC JUKMO899B	(316) 230-0519	803 Woodswether Road, Suite B	Kansas City, MO 64105
Nebraska	Kovarik, William: Kovarinc Corporation JUKNE101	402-853-4195	3900South 6th St. Ste. 9	Lincoln, NE 68502
Nebraska	WherryII, Joseph: Elkhorn Junk, LLC. JUKNE100	402-321-0059	24406 Hwy 275, Ste.2	Waterloo, NE 68069
Nevada	Weeks, Bryan: VJ Kings, LLC JUKNV899	(702) 540-9766	3100 E. Charleston Blvd. #105	Las Vegas, NV 89104
Nevada	Levey, Elliot: Delta Solutions LLC JUKNV900A	(626) 833-1650	3445 Airway Drive, Suite C	Reno, NV 89511
New Mexico	Young, Christopher: Junk Southwest LLC JUKNM900	(505) 257-6437	6101 Signal Ave N.E., Suite C	Albuquerque, NM 87113

State	Principal Owner	Phone Number	Address	City, State, Zip Code
New York	Bhatti, Pricella: Black Swan Industries, LLC JUKNY900A	(518) 932-4347	132 Lincoln Avenue, Suite 402	Albany, NY 12205
New York	Hawthorn, Christopher: Hawthorne Recycling Inc. JUKNY896A	(845) 834-4201	20 Mountainview Avenue, Unit G	Orangeburg, NY 10962
New York	Joseph, Sterlyn: Port Sterlyn, Inc. JUKNY897	(631) 522-9691	40 Stace Street, Suite E	Rochester, NY 14612
New York	Vercillo, Henry: Upstate Clean-Out and Recycling, Inc. JUKNY899	(315) 569-7268	127C Ball Circle	Syracuse, NY 13210
North Carolina	May, David: May KEI Enterprises Inc. JUKNC897A	(585) 315-2227	808 Woodruff Place	Charlotte, NC 28208
North Carolina	Deramo, Mitchell: QC JK Charlotte, LLC. JUKNC900A	(904)-316-2621	1700 11th Avenue NE	Hickory, NC 28601
North Carolina	Mabry, Bradley and Rollo III, Miles: TRBM Investments, LLC JUKNC898A	(336) 343-2754	5616 Crooked Oak Drive	Summerfield, NC 27358
North Carolina	Mabry, Bradley and Rollo III, Miles: TRBM Investments, LLC JUKNC896A	(336) 343-2754	5616 Crooked Oak Drive	Summerfield, NC 27358
North Carolina	Mabry, Bradley and Rollo III, Miles: TRBM Investments, LLC JUKNC899A	(336) 343-2754	5616 Crooked Oak Drive	Summerfield, NC 27358
North Carolina	Mabry, Bradley and Rollo III, Miles: TRBM Investments, LLC JUKNC898A	(336) 343-2754	5616 Crooked Oak Drive	Summerfield, NC 27358
Ohio	Baker, Ivan: HEK Medina, LLC JUKOH898	(216) 586-6672	3301 E. Royalton Road	Broadview Heights, OH 44147
Ohio	McCreary, Judith: P & J MCC Legacy, Inc. JUKOH899	(513) 200-2612	11430 Gondola Street	Cincinnati, OH 45241
Ohio	Hughes, Erik & Marta: E M Hughes Enterprises, LLC JUKOH900	(614) 519-3292	819 Phillipi Road	Columbus, OH 43228
Ohio	McCreary, Judith: P & J MCC Legacy, Inc. JUKOH894	(513) 200-2612	5300 Dupont Circle, #D1	Milford, OH 45150

State	Principal Owner	Phone Number	Address	City, State, Zip Code
Ohio	McCreary, Judith: P & J MCC Legacy, Inc. JUKOH897	(513) 200-2612	5335 Springboro Pike, Suite I	West Carrolton, OH 45449
Ohio	Hughes, Erik & Marta: E M Hughes Enterprises, LLC JUKOH895	(614) 519-3292	670 Meridian Way, Suite 253	Westerville, OH 43082
Oklahoma	Murray IV, Thomas: Junk by Murray, Inc. JUKOK899	(405) 317-5262	2813 S.E. 44th, Suite A&B	Oklahoma City, OK 73129
Oklahoma	Walker, Gabriel: JKOK, LLC JUKOK900B	(918) 346-4721	2751 East Apache	Tulsa, OK 74110
Oregon	Craig-Johnson, Tyrel: Elevating Asset Inc. JUKOR101A	(503) 508-2487	10504 NW St. Helens Rd.	Portland OR 97223
Oregon	Craig-Johnson, Tyrel: Elevating Asset Inc. JUKOR900A	(503) 508-2487	10504 NW St. Helens Rd.	Portland, OR 97223
Pennsylvania	Masha, Ashley: Masha Junk Removal LLC JUKPA895A	(484) 832-7882	14 Crozerville Road, Suite D	Aston, PA 19014
Pennsylvania	Masha, Ashley: Masha Junk Removal LLC JUKPA898A	(484) 832-7882	14 Crozerville Road, Suite D	Aston, PA 19014
Pennsylvania	Masha, Ashley: Masha Junk Removal LLC JUKPA899A	(484) 832-7882	715 Southwinds Drive	Bryn Mawr, PA 19010
Pennsylvania	Stripay, Edward: First Launch LLC JUKPA900	(412) 953-7642	3028 Unionville Road	Cranberry Township, PA 16066
Pennsylvania	Onelangsy, Don: ONE Hauling and Moving, LLC JUKPA897	(717) 686-0932	1500 Paxton Street, Suite 500	Harrisburg, PA 17104
Pennsylvania	Stripay, Edward: First Launch LLC JUKPA896	(412) 953-7642	20 S. 8th Street	Pittsburgh, PA 15203
Pennsylvania	Pettinato, Logan: Pettinato Family Ventures LLC JUKPA101	(484) 794-8561	50 N. Pearl Street	Wernersville, PA 19565
Rhode Island	Martinez, Jose: Martinez, Inc. JUKRI900	(401) 580-7501	5 Mt. Pleasant Avenue	Providence, RI 02908
South Carolina	D'Eramo, Mitchell, Et Al: QC Strategies, LLC JUKSC899A	(203) 434-9386	426 Marsh Road	Charlotte, NC 28209
South Carolina	Reeves,Jr, Kenworth: KDHW Ventures, LLC (JUKSC896A)	(407) 242-4611	1200 Woodruff Road, Unit G-10	Greenville, SC 29607

State	Principal Owner	Phone Number	Address	City, State, Zip Code
South Carolina	Shvetz, Peter and Montali, Christopher: 3 Musketeers of Irmo LLC JUKSC897A	(803) 237-7957	7455 Eastview Drive	Irmo, SC 29603
South Carolina	Jones, T. Eric: Noble Jones, LLC JUKSC898	(410) 274-0705	568 George Bishop Pkwy #540	Myrtle Beach, SC 29579
South Carolina	Hayes, Paul: JUKSC900	(843) 790-5784	5527 Woodbine Avenue, Unit 1 & 2	North Charleston, SC 29406
South Carolina	Winter, Skye: Emerald Path LLC. JUKSC901	305-781-3388	712 Mount Pleasant Rd. Unit J	Spartanburg, SC 29307
Tennessee	Bryant, Tiffany: JunkEsteem LLC JUKTN899	(432) 505-1352	4295 Cromwell Road, Suite# 514	Chattanooga, TN 37421
Tennessee	Leedy, Justin: Franklin Tucker Corporation JUKTN900A	(440) 479-6878	9029 Berry Farms Crossing	Franklin, TN 37064
Tennessee	Leedy, Justin: Franklin Tucker Corporation JUKTN102	(440) 479-6878	9029 Berry Farms Crossing	Franklin, TN 37064
Texas	Ferguson, Renee: Derak JR LLC JUKTX896	(972) 955-5330	9920 Liberty Road	Aubrey, TX 76227
Texas	Farris, Aaron, Et Al: Titan Partners Austin, LLC JUKTX895A	(316) 230-0519	600 West 28th Street #105	Austin, TX 78705
Texas	Ferguson, Renee: Derak JR LLC JUKTX899	(972) 955-5330	13659 Jupiter Road, Suite 208	Dallas, TX 75238
Texas	Farris, Aaron, Et Al: Titan Partners Austin, LLC JUKTX887A	(316) 230-0519	2217 David Ferretti Drive	Georgetown, TX 78626
Texas	Melconian, Ryan: RBE&E LLC JUKTX886A	(281) 772-6941	1715 Shadow Bend Drive	Houston, TX 77043
Texas	Melconian, Ryan: RBE&E LLC JUKTX894A	(281) 772-6941	7117 Belgold Drive, Suite B	Houston, TX 77066
Texas	Ferguson, Renee: Derak JR LLC JUKTX888	(972) 955-5330	2435 Glenda Lane, Unit 6	Irving, TX 75229
Texas	Melconian, Ryan: RBE&E LLC JUKTX891A	(281) 772-6941	6539 Pitts Road	Katy, TX 77493
Texas	Farris, Aaron: Titan Partners Dallas, LLC JUKTX901	316-230-0519	19046 W 168th Terrace	Olathe, KS 66062

State	Principal Owner	Phone Number	Address	City, State, Zip Code
Texas	Farris, Aaron: Titan Partners Dallas, LLC JUKTX902	316-230-0519	19046 W 168th Terrace	Olathe, KS 66062
Texas	Ferguson, Renee: Derak JR LLC JUKTX889	(972) 955-5330	910 10th Street, Suite 800	Plano, TX 75074
Texas	Rote, Shelly & Robert: Will-Luc Enterprises, LLC JUKTX893	(210) 979-9287	10415 Perrin Beitel Road, Suite 106	San Antonio, TX 78217
Texas	Rote, Shelly & Robert: Will-Luc Enterprises, LLC JUKTX890	(210) 979-9287	4700 Timco West, Suite 119	San Antonio, TX 78237
Texas	Melconian, Ryan: RBE&E LLC JUKTX900	(281) 772-6941	10311 West Airport Boulevard, Suite 101	Stafford, TX 77477
Utah	Wren, Luke: Wren Management LLC JUKUT899	(801) 698-4842	1349 South 500 East, Suite 223	American Fork, UT 84003
Utah	Wren, Luke: Wren Management LLC JUKUT900	(801) 698-4842	3080 South 300 Way	Salt Lake City, UT 84115
Utah	Wren, Luke: Wren Management LLC JUKUT897	(801) 698-4842	291 E. 1400 S, #8-C	St. George, UT 84790
Virginia	Graham, Daniel: Dandanal Services, Inc. JUKVA900	(703) 424-6334	291 E. 1400 S, #8-C	Lorton, VA 22079
Virginia	Reahard, IV, Ralph: JNK-RVA LLC JUKVA898A	(804) 337-2449	555 Southlake Boulevard	Richmond, VA 23236
Virginia	Reahard, IV, Ralph: JNK-RVA LLC JUKVA899A	(804) 337-2449	555 Southlake Boulevard	Richmond, VA 23236
Washington	Edge, Jason: JK Portland LLC JUKWA898	(408) 772-2520	9316 Lakeview Avenue S.W., Suite A-1	Lakewood, WA 98499
Washington	Kochel, Travis: TCK Hauling, LLC JUKWA 897A	(724)840-8445	525 S. Brighton Street C11	Seattle, WA 98108
Washington	Kochel, Travis: TCK Hauling, LLC JUKWA 900A	(724)840-8445	525 S. Brighton Street C11	Seattle, WA 98108
Washington	Edge, Jason: JK Portland LLC JUKWA899	(408) 772-2520	1909 E. 5th Avenue, Suite D	Vancouver, WA 98661
Wisconsin	Wilke, Michael: Elite Junk Removal LLC JUKWI900	(920) 650-7157	6033 Monona Drive, Suite 112	Monona, WI 53716

State	Principal Owner	Phone Number	Address	City, State, Zip Code
Wisconsin	Kondziella, Thomas: TJ-KAP Investors Inc. JUKWI899A	(414) 517-7909	W249S10845 Overlook Drive	Mukwonago, WI 53149
Wisconsin	Buman, Skyler & Jenna: LSF Solutions LLC. JUKWI101	(920) 660-2013	826 Ivory Street	Seymour, WI 54165

FRANCHISEES IN THE UNITED STATES WHO HAVE SIGNED A FRANCHISE AGREEMENT BUT ARE NOT YET OPERATIONAL AS OF DECEMBER 31, 2025

Note: This list is arranged alphabetically by state and then alphabetically by cities in each state.

State	Principal Owner	Phone Number	Address	City, State, Zip Code
California	Duenas, Carlos: CV Duenas LLC JUKCA876	(650) 228-9867	2448 S Hwy 99 Frontage Road, Suite 14	Stockton, CA 95215
California	Jose & Tracy Perez	616-485-0339	7691 Bannock Trail	Yucca Valley, CA 92284
Florida	Christine Roselli	910-265-5018	801 Timber Pond Drive	Brandon, FL 33510
Illinois	Farris, Aaron Scott, et al: Titan Partners Chicago, LLC	(816) 296-6398	3333 W. Harrison Street	Chicago, IL 60624
Louisiana	Trenton Book & Taylor Cothren	318-437-8393	544 Sonny Day Rd.	Monroe, LA 71203
Massachusetts	Eric Peabody & Jaryd Belanger	617-470-4139	43 Harvestwood Lane	Mansfield, MA 02048
Massachusetts	Eric Peabody & Jaryd Belanger	617-470-4139	43 Harvestwood Lane	Mansfield, MA 02048
Massachusetts	Martinez, Jose & Maureen: Martinez, Inc. JUKMA101	(401) 580-7501	48 Audubon Avenue	North Providence, RI 02908
Tennessee	Leedy, Justin: Franklin Tucker Corporation JUKTN103	(440) 479-6878	9029 Berry Farms Crossing	Franklin, TN 37064
Texas	Rote, Shelly & Robert: Will-Luc Enterprises, LLC JUKTX101	(210) 979-9287	26006 Magic View	San Antonio, TX 78260
Texas	Melconian, Ryan: RBE&E LLC JUKTX102	(650) 291-9222	10311 West Airport Boulevard, Suite 101	Stafford, TX 77477

AFFILIATE OWNED FRANCHISES
AS OF DECEMBER 31, 2025

No affiliate owned stores as of December 31, 2025.

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EXHIBIT F

FRANCHISEES IN THE UNITED STATES WHO LEFT THE SYSTEM IN THE PAST 12 MONTHS AS OF DECEMBER 31, 2025

Note: This list is arranged alphabetically by state and then alphabetically by cities in each state.
**Indicates franchisee left the system as a result of transferring their franchise agreement.*

State	Principal Owner	Phone Number	Address	City, State, Zip Code
Arizona *	Sanford, Erika: Environmental Upcycling LLC JUKAZ896	(385) 384-7686	2270 S. Airport Blvd, Suite 3	Chandler, AZ 85286
Arizona*	Prince, Marnie: Great White North Environmental LLC JUKAZ898	(503) 688-8864	9543 W. Sahuaro Drive	Peoria, AZ 85345
Arizona*	Prince, Marnie: Great White North Environmental LLC JUKAZ900	(503) 688-8864	11011 N. 23rd Avenue, Suite 2	Phoenix, AZ 85029
Arizona*	Prince, Marnie: Great White North Environmental LLC JUKAZ899	(503) 688-8864	2105 S. Hardy Drive, Suite 2	Tempe, AZ 85282
California	Young, Edward: Sunny Rose Corporation JUKCA879	(909) 379-8455	17121 S. Central Avenue, Unit 2J	Carson, CA 90746
California*	Lymath, Peggy: PGE Lymath LLC JUKCA896	(916) 295-3518	124 Clydesdale Court, Suite B	Grass Valley, CA 95945
California	Vepa, Krishna: Zai-Put Enterprise, Inc. JUKCA888	(408) 421-7140	2826 Hoya Common	Livermore, CA 94551
California	Young, Edward: Sunny Rose Corporation JUKCA101	(909) 379-8455	1535 S Baker Avenue, Suite B	Ontario, CA 91761
California	Young, Edward: Sunny Rose Corporation JUKCA880	(909) 379-8455	10022 6th Street, Unit K	Rancho Cucamonga, CA 91730
California	Young, Edward: Sunny Rose Corporation JUKCA883	(505) 681-9054	3873 Carter Ave., Units 201-203	Riverside, CA 92501
California	Vepa, Krishna: Jai-Put Enterprise, Inc. JUKCA885	(408) 421-7140	15010 Wicks Boulevard, Unit B	San Leandro, CA 94577
California	Young, Edward: Sunny Rose Corporation JUKCA895	(909) 379-8455	2660 Pacific Park Drive	Whittier, CA 90601
Florida*	Konieczko, Sharon: Junk Queens, Inc. JUKFL887	(703) 501-8174	1559 S. Cypress Drive, Unit 3	Jupiter, FL 33469

State	Principal Owner	Phone Number	Address	City, State, Zip Code
Florida*	Konieczko, Sharon: Junk Queens, Inc. JUKFL898	(703) 501-8174	1847 Aragon Avenue, Suite 3	Lake Worth, FL 33461
Florida*	Bryan, Michelle: 1517 Ocala LLC JUKFL889	(352)480-8557	7175 S Pine Avenue, Suite D	Ocala, FL 34480
Illinois*	Homrok, Sarah & Andrew: HH2 Holdings Corp. JUKIL894A	(708) 601-4773	323 Village Drive	Carol Stream, IL 60188
Illinois*	Homrok, Sarah & Andrew: Homork Holdings, Inc. JUKIL899	(708) 601-4773	3333 West Harrison Street	Chicago, IL 60624
Illinois*	Nemec, Daniel: HH&N Services Ltd. JUKIL898	(630) 514-8777	4727 W. 135th Street	Crestwood, IL 60418
Illinois*	Kholamian, Armen: ARCTOS Corp. JUKIL895	(224) 205-9288	28039 W. Commercial Avenue, Unit 5	Lake Barrington, IL 60010
Illinois*	Nemec, Daniel: HH&N Services Ltd. JUKIL896	(630) 514-8777	1333 S. Schoolhouse Road, Suite 300	New Lenox, IL 60451
Illinois*	Kholamian, Armen: ARCTOS Corp. JUKIL900	(224) 205-9288	667 Academy Drive	Northbrook, IL 60062
Illinois*	Homrok, Sarah & Andrew: Homork Holdings, Inc. JUKIL897	(708) 601-4773	101 N. Marion Street, Suite 200	Oak Park, IL 60301
Indiana*	Nemec, Daniel: HH&N Services Ltd. JUKIN898	(219) 247-7388	1575 E. 89th Avenue	Merrillville, IN 46410
Louisiana*	Gunn, Miller: Southeast Property Cleaning Corp. JUKLA899	(662) 801-2958	3185 Balis Drive, Suite 103	Baton Rouge, LA 70808
Louisiana*	Gunn, Miller: Southeast Property Cleaning Corp. JUKLA898	(662) 801-2958	2002 20th Street, B101	Kenner, LA 70062
Louisiana*	Gunn, Miller: Southeast Property Cleaning Corp. JUKLA897	(662) 801-2958	22161 Marshall Road, Suite E	Mandeville, LA 70471
Louisiana*	Gunn, Miller: Southeast Property Cleaning Corp. JUKLA900	(662) 801-2958	2828 Elysian Fields Avenue, Suite A	New Orleans, LA 70122
Massachusetts*	Indge, Thomas: Junk King Worcester County LLC JUKMA900	(774) 270-1062	245 Crawford Street, Suite 1	Fitchburg, MA 01420
Nevada*	Cassidy, Philip:PM Cassidy Enterprises, Inc. (JUKNV900)	(626) 833-1650	3445 Airway Drive, Suite C,	Reno, NV 89511
New York*	Breitenstein, Carl: Black Swan Industries LLC JUKNY900	(518) 559-1250	132 Lincoln Avenue, Suite 402	Albany, NY 12205

State	Principal Owner	Phone Number	Address	City, State, Zip Code
New York	Manzella, Joseph: Mazz Enterprises, LLC JUKNY101	(716) 462-3735	151 Fieldstone Drive	Grand Island, NY 14072
New York	Manzella, Joseph: Mazz Enterprises, LLC JUKNY898A	(716) 462-3735	1386 Lovejoy Street	Sloan, NY 14212
North Carolina*	David, Terendius: David Love Associates, Inc. JUKNC900	(704) 701-3527	8425 Old Statesville Road, Unit 4	Charlotte, NC 28269
Oregon*	Edge, Jason: JK Portland LLC JUKOR101	(408) 772-2520	8195 S.W. Hunziker Street	Portland OR 97223
Oregon*	Edge, Jason: JK Portland LLC JUKOR900	(408) 772-2520	28316 SW Amsterdam Avenue	Wilsonville, OR 97070
South Carolina*	Harris, Justin: Harris Junk LLC JUKSC896	(805) 208-6303	1200 Woodruff Road, Unit G-10	Greenville, SC 29607
Tennessee	Cox, Kenneth: 3H Holdings, LLC JUKTN101	(901) 237-6873	879 Willow Tree Circle Ste. 108	Cordova, TN 38018
Utah	Wren, Luke: Wren Management LLC JUKUT898	(801) 698-4842	375 S. Stewart Way, Building 3 (672), Bay 2	Ogden, UT 84404
Utah	Wren, Luke: Wren Management LLC JUKUT101	(801) 641-4704	1252 Saddlebred Way	Riverton, UT 84065
Washington*	Page, D. Scott: Totem Logistics, Inc. JUKWA897	(510) 332-1231	308 Clay Street N.W.	Auburn, WA 98001
Washington*	Page, D. Scott: Totem Logistics, Inc. JUKWA900	(510) 332-1231	525 S. Brighton Street C11	Seattle, WA 98108

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EXHIBIT G

RENEWAL ADDENDUM WITH TERMINATION OF ORIGINAL FRANCHISE AGREEMENT AND RELEASE

This RENEWAL ADDENDUM WITH TERMINATION OF FRANCHISE AGREEMENT AND RELEASE (this "Addendum") is entered into by and between JUNK KING SPV LLC, a Delaware limited liability company having a principal place of business at 1010 North University Parks Drive, Waco, TX 76707 ("Franchisor"), and _____, individually, having an address of _____ ("Franchisee").

WHEREAS, Franchisor and Franchisee have entered into a franchise agreement dated as of ___ pursuant to which Franchisor has granted Franchisee a right and obligation to establish and operate a Junk King® franchise using the Marks and the System in and for the Territory (the "Original Franchise Agreement"); and

WHEREAS, on the terms set forth below, Franchisor and Franchisee desire to terminate and cancel the Original Franchise Agreement; and

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a franchise agreement pursuant to which Franchisor has granted Franchisee a renewal license, granting Franchisee the right and obligation to continue operation of the franchise using the Marks and the System in and for the Territory (the "Agreement"); and

[WHEREAS, Franchisee acknowledges and agrees that Franchisee's execution of the Agreement is pursuant to Franchisee's last renewal option under the Original Franchise Agreement and Franchisee has no further rights of renewal; and]

WHEREAS, the parties have agreed to alter the terms stated in the Agreement, as provided herein to reflect the parties' intentions and the terms of renewal stated in the Original Franchise Agreement.

NOW, THEREFORE, that for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Original Franchise Agreement is hereby terminated by mutual agreement, except for Franchisee's indemnification obligations thereunder.

2. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified specifically herein.

3. Franchisee agrees that the renewal fee will be collected via electronic ACH from Franchisee's bank account at signing of the Agreement, and Franchisee hereby represents and warrants to Franchisor that all necessary action for the execution of this Addendum has been taken.

4. If Franchisee is executing the Agreement at least 60 days prior to the expiration date of the then-current term of the Original Franchise Agreement (such expiration date, the "Original FA Expiration Date"), then Section 4.A, Term, of the Agreement is hereby amended so that the term of the Agreement is the time period from the Effective Date of the Agreement until the Original FA Expiration Date, plus 10

years. (For example, if the Agreement was signed 12 months before the Original Franchise Agreement expires, the term of the Agreement would be 11 years).

[Because Franchisee is hereby exercising its last renewal option under the Original Franchise Agreement, Section 4.B (Renewal Term and Conditions of Renewal) of the Original Franchise Agreement is hereby deleted.]

5. Section 8.A, Initial License Fee, is amended to provide that no initial franchise fee shall be due upon execution of the Agreement.

6. Franchisee, for itself and each of its past and present heirs, executors, administrators, representatives, affiliates, directors, officers, owners, successors and assigns and on behalf of any other party claiming an interest through Franchisee, in their corporate and individual capacities (collectively "Releasor"), hereby releases and forever discharges Franchisor and each of its predecessors, successors, affiliates, subsidiaries, assigns, past and present officers, directors, shareholders, agents and employees, and their respective heirs, executors, administrators, representatives, successors and assigns, in their corporate and individual capacities (collectively "Releasees"), from, in respect of and in relation to any and all claims, actions, causes of action, suits, debts, obligations, liabilities, sums of money, costs and expenses, acts, omissions or refusals to act, damages, judgments and demands, of any kind whatsoever, joint or several, known or unknown, vested or contingent, which the Releasor ever had, now has or which Releasor hereinafter can, will or may have, against Releasees related to, arising from, for, upon or by reason of any matter, cause or thing whatsoever related to the Original Franchise Agreement and the business operated thereunder or any other agreement between Releasor and Releasees, or the relationship between Releasor and Releasees, through the Effective Date (collectively, the "Claims"), for known or unknown damages or other losses, including but not limited to any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Original Franchise Agreement or any other related agreement between the Releasor and Releasees or the relationship between Releasor and Releasees through and including the Effective Date. For avoidance of doubt, the Releasor does not release Releasees from any obligations arising by virtue of the Agreement and any claims arising from the Releasees' failure to comply with those obligations or the Franchise Disclosure Document furnished to Franchisee as part of entering into the Agreement and the franchise laws that apply to the specific offer, sale and signing of the Agreement.

The release of the Claims as set forth above is intended by the Releasor to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the Releasees regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Releasor acknowledges that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Releasor's intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. The Releasor acknowledges that Releasor has had adequate opportunity to gather all information necessary to enter into this Addendum and to grant the releases contained herein, and needs no further information or knowledge of any kind that would otherwise influence the decision to enter into this Addendum. The Releasor, for itself and its heirs, successors and assigns, hereby expressly, voluntarily, and knowingly waives, relinquishes and abandons each and every right, protection, and benefit to which they would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to said Section 1542, whether now or hereafter existing under the laws of California or any other applicable federal or state law with jurisdiction over the parties' relationship. The Releasor acknowledges that Section 1542 of the Civil Code of the State of California provides as follows:

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

This release is and shall be and remain a full, complete and unconditional general release. The Releasor acknowledges and agrees that this release is an essential, integral and material term of this Addendum. The Releasor further acknowledges and agrees that no violation of this Addendum shall void the release set forth herein.

7. Notwithstanding the releases contained herein, all rights and obligations created under this Addendum will specifically survive the execution of this Addendum and the releases contained herein.

8. Each person executing this Addendum on behalf of any of the parties hereto represents and warrants that he or she has been fully empowered to execute this Addendum and that all necessary action has been taken.

9. The provisions of this Addendum shall inure to the benefit of and be binding upon the heirs, successors and assigns in interest of the parties.

10. Each of the parties hereto represents and warrants to each other party that it has not heretofore assigned or transferred, or purported to assign or transfer to any person, entity or corporation whatsoever, any of the claims released hereunder. Each party agrees to indemnify and hold harmless each other party against any claim, demand, debt, obligation, liability, cost, expense, right of action or cause of action based on, arising out of, or in connection with any such transfer or assignment or purported transfer or assignment.

11. If any provision of this Addendum shall for any reason be held violative of any applicable law, governmental rule or regulation, or if said agreement is held to be unenforceable or unconscionable, then the invalidity of such specific provisions herein shall not be held to invalidate the remaining provisions of this Addendum.

< SIGNATURES APPEAR ON THE NEXT PAGE >

Signed on this _____ day of _____, 20__ (the "Effective Date").

FRANCHISEE:

_____
_____, individually

Accepted as of the _____ day of _____, 20__, in _____, ___.

FRANCHISOR:

JUNK KING SPV LLC

BY: _____
Paul Tis, President

EXHIBIT H

GENERAL RELEASE

This GENERAL RELEASE (this "Release") is made and executed by [NAME], individually ("you"), as of _____ ("Effective Date").

WHEREAS, you entered into a franchise agreement dated _____ with JUNK KING SPV LLC ("us"), and [describe facts].

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are acknowledged, you agree as follows:

You, for yourself and each of your past and present heirs, executors, administrators, representatives, affiliates, directors, officers, owners, successors and assigns and on behalf of any other party claiming an interest through you, in their corporate and individual capacities (collectively "Releasor"), hereby releases and forever discharges us and each of our predecessors, successors, affiliates, subsidiaries, assigns, past and present officers, directors, shareholders, agents and employees, and their respective heirs, executors, administrators, representatives, successors and assigns, in their corporate and individual capacities (collectively "Releasees"), from, in respect of and in relation to any and all claims, actions, causes of action, suits, debts, obligations, liabilities, sums of money, costs and expenses, acts, omissions or refusals to act, damages, judgments and demands, of any kind whatsoever, joint or several, known or unknown, vested or contingent, which the Releasor ever had, now has or which Releasor hereinafter can, will or may have, against Releasees related to, arising from, for, upon or by reason of any matter, cause or thing whatsoever, through the Effective Date (collectively, the "Claims"), for known or unknown damages or other losses, including but not limited to any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of any agreement between the Releasor and Releasees or the relationship between Releasor and Releasees through and including the Effective Date.

The release of the Claims as set forth above is intended by the Releasor to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the Releasees regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Releasor acknowledges that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Releasor's intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. The Releasor acknowledges that Releasor has had adequate opportunity to gather all information necessary to enter into this Release and to grant the releases contained herein, and needs no further information or knowledge of any kind that would otherwise influence the decision to enter into this Release. The Releasor, for itself and its heirs, successors and assigns, hereby expressly, voluntarily, and knowingly waives, relinquishes and abandons each and every right, protection, and benefit to which they would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to said Section 1542, whether now or hereafter existing under the laws of California or any other applicable federal or state law with jurisdiction over the parties' relationship. The Releasor acknowledges that Section 1542 of the Civil Code of the State of California provides as follows:

> "A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his favor at the time of

executing the release, which if known by him must have materially affected his settlement with the debtor or released party."

This Release is and shall be and remain a full, complete and unconditional general release.

_____

Name, individually

EXHIBIT I

PROTRADENET AGREEMENT

WHEREAS, _____, individually, having an address of _____ ("Franchisee," sometimes referred to as "Contractor") is a Franchisee of **JUNK KING SPV LLC** , a Delaware limited liability company, having an address of 1010 North University Parks Drive, Waco, TX 76707 ("Franchisor," sometimes referred to as "Trading Partner"), the trading partner of **PROTRADENET SPV LLC** ("PROTRADENET") having an address of 1010 N. University Parks Drive, Waco, TX 76707 and Franchisee desires to participate in discounts, rebates, incentives and other benefits ("Programs") negotiated by PROTRADENET with selected vendors, manufacturers and distributors ("Vendors");

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is acknowledged by all parties, the parties hereto agree to the following terms and conditions:

1. **Term and Default.** The term of this Agreement shall commence on _____ and end on December 31 of this year and the Agreement will automatically renew for an additional one (1) calendar year period each year thereafter, commencing on January 1 of next year and each January 1st thereafter, unless earlier terminated in accordance with this Agreement. Notwithstanding the foregoing, PROTRADENET may terminate this Agreement at any time, with or without cause, for any reason whatsoever upon providing the other party written notice of intent to terminate the Agreement and this agreement will automatically terminate upon expiration or termination of the franchise agreement by and between Franchisee and Franchisor with no notice of termination required. In any case, PROTRADENET may terminate this Agreement at any time upon notice to Franchisee if Franchisee is in default of his Franchise Agreement with Franchisor or if Franchisee has failed to comply with the terms and conditions of participation in this Program as set forth in this Agreement, on the website of PROTRADENET or as specified by Franchisor. Upon any termination of this agreement neither PROTRADENET nor any of its affiliates will have any liability to Franchisee or any other party.

2. **PROTRADENET Administration.** PROTRADENET or Franchisor may, but are not required to, return a portion of the fees paid to PROTRADENET from Vendors on behalf of purchases made by Franchisee ("Rebates") directly to Franchisee if Franchisee meets certain conditions, such as Vendor terms and conditions, attendance at Franchisor annual meetings, and other criteria as established by Vendor, PROTRADENET or Franchisor. All fees or Rebates not returned to franchisees may be retained by PROTRADENET or Franchisor and used to cover administrative costs, or promote Franchisor's system and brand. The allocation of these Rebates may change at the sole discretion of PROTRADENET. Accordingly, subject to the terms and conditions set forth in this Agreement, PROTRADENET agrees to process Program Rebates when paid by Vendor within terms as agreed upon by Franchisor. PROTRADENET will pay Franchisor or Franchisee directly, at the discretion of Franchisor. Franchisor reserves the right to deny Program Rebates otherwise due to Franchisee if Franchisor deems Franchisee not qualified for a Rebate(s). PROTRADENET may also withhold or deny Program Rebates if terms of the Program are not met.

3. **Franchisee Exclusion from Vendor Program.** Franchisee acknowledges the Vendor's right to exclude Franchisee from the Program for failure to meet Vendor's terms or for other reasons at the Vendor's discretion.

4. **Access and Release of Information.** Franchisee authorizes PROTRADENET to provide information including, but not limited to, Franchisee's Federal Tax Identification Number "FTIN") and purchase orders, invoices, payments, purchase history or other purchasing information to its Vendors

regarding Franchisee, and Franchisee authorizes PROTRADENET to request, and Vendors to provide, information manually or electronically regarding purchase orders, invoices, payments, purchase history or other purchasing information from Vendors for the purpose of administration of the Program. Franchisee hereby releases PROTRADENET and its parent, affiliates, past and present members, officers, employees, agents, successors and assigns from any liability whatsoever with regard to PROTRADENET providing Franchisee's confidential information, including Franchisee's FTIN, to Vendors or Franchisor pursuant to this Agreement.

5. **Confidentiality.** Franchisee acknowledges the proprietary and confidential nature of PROTRADENET's, Franchisors' and Vendor's Program details and shall use this information only for the purposes of inquiry or purchasing of VENDOR's products and services from the Program. Franchisee shall not provide PROTRADENET's, Franchisors' and/or Vendor's confidential Program information to a third party. This section shall survive the expiration or termination of this Agreement.

6. **Vendors.** Vendors may be added or removed from the Program at any time. Franchisee will receive written, email, or website notification of a change in Vendor status from PROTRADENET or Franchisor. Franchisors have SOLE DISCRETION over whether or not they choose to participate in a Vendor Program and offer that Program to their franchisees.

7. **Miscellaneous**

7.1 **No Guarantee of Rebates.** PROTRADENET does not guarantee any Vendor rebates or payments by Vendors. If PROTRADENET does not receive payment from the Vendor, rebates will not be paid.

7.2 **No Guarantee of Accuracy.** PROTRADENET makes no guarantee of accuracy or uninterrupted delivery of the data exchanged using the e-commerce web solution software as a part of the Program. It is the responsibility of the Franchisee to notify PROTRADENET or Vendor if the purchasing information represented on the e-commerce website is incorrect. Franchisee must notify PROTRADENET within sixty (60) days of the transaction date if the purchasing information is missing or invalid.

7.3 **Effective Date.** This Agreement shall become effective on the date that it is signed by PROTRADENET.

8. **Electronic Invoicing.** Franchisee agrees by its signature below to receive invoices from any Vendor electronically that offers this service though the PROTRADENET e-commerce platform.

9. **Electronic Promotions.** Franchisee agrees by its signature below to receive electronic or email based promotions from PROTRADENET.

10. **Additional Terms and Conditions.** Franchisee agrees by its signature below to abide by all of the terms and conditions on the website of PROTRADENET, www.PROTRADENET.com, www.PROTRADENET.com and www.PROTRADENET.net, which include but are not limited to:

Terms of Use
Privacy Policy

These terms and conditions may be modified and additional terms and conditions added at the sole discretion of Franchisor or PROTRADENET.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives whose signatures appear below.

Signed on this _____ day of _____, 20__.

FRANCHISEE:

_____

_____, individually

Accepted as of this _____ day of _____, 20__, in Waco, Texas.

PROTRADENET:

PROTRADENET SPV LLC

BY:_____
Brandi Haslam, President

EXHIBIT J

SOFTWARE SYSTEM USER AND MAINTENANCE AGREEMENT

This SOFTWARE SYSTEM USER AND MAINTENANCE AGREEMENT ("Agreement") is entered into on the Effective Date noted below in Section 6(h) by and between **JUNK KING SPV LLC**, a Delaware limited liability company with an address of 1010 North University Parks Drive, Waco, TX ("Franchisor"), and _____, a(n) _____, having an address of _____ ("Franchisee"). Franchisor and Franchisee may be referred to herein singularly as a "Party" and jointly as the "Parties".

WHEREAS, the Parties have entered into or are entering into a franchise agreement ("Franchise Agreement") pursuant to which Franchisor has granted or is granting to Franchisee the right to operate a JUNK KING® franchise and Franchisee has agreed to or is agreeing to undertake the obligations of a JUNK KING® franchisee. One of Franchisee's obligations under the Franchisee Agreement is to install, maintain and upgrade such computer hardware, software and Internet access as Franchisor may periodically require; and

WHEREAS, Franchisor currently requires all of its franchisees to use the software and technology identified on **Exhibit "A"** hereto (the "Software System") in their respective JUNK KING® Franchised Businesses, which Software System Franchisor may revise from time to time upon notice to Franchisee; and

WHEREAS, to the extent the Software System includes third-party software, Franchisee will become licensed by such third party software provider (each, a "Third-Party Provider") to access and use the third-party software through the acceptance of the Third-Party Provider's terms and conditions as provided on the Third-Party Provider's website, as set forth on **Exhibit "A"** hereto; and

WHEREAS, each Third-Party Provider has delegated to Franchisor and/or Franchisor's designee the training, maintenance and support of such Third-Party Provider's software included in the Software System and licensed to the JUNK KING® franchisees; and

WHEREAS, the Third-Party Providers and the Parties desire to define the terms and conditions on which Franchisor will provide for the training, maintenance and support for the software included in the Software System.

NOW, THEREFORE, the Parties agree as follows:

1. **TRAINING AND SUPPORT**

(a) ***Franchisor's Designee***. Franchisor may in the future appoint an affiliate, including without limitation ZorWare SPV LLC ("ZorWare"), as Franchisor's agent and designee to provide training, maintenance and support to Franchisee with respect to the Software System. Franchisee agrees to cooperate with ZorWare or such other designee in all matters relating to the installation, maintenance and support of the Software System and the training of Franchisee's personnel with respect to the Software System.

(b) ***Training and Support***. ZorWare will provide service for training, maintenance, and support to Franchisee by telephone and over the internet during ZorWare's normal business hours, as set forth in **Exhibit "B"**. The amount and types of support may change in the future.

(c) ***Maintenance, Upgrades and Fixes***. Franchisor or its designee may, in their discretion, modify, upgrade or create fixes, service releases and new versions of the Software System from time to time and provide them to Franchisee. Franchisor may from time to time add software to or remove software from the Software System upon notice to Franchisee.

(d) ***Remote Access***. Franchisee acknowledges that the proper functioning of the Software System as intended by Franchisor requires Franchisee to give Franchisor and its designee remote access to Franchisee's network. Franchisee agrees to give Franchisor and its designee such remote access to Franchisee's network at all times to allow for the full functioning of the Software System, to allow Franchisor or its designee to install the Software System and modifications, fixes, service releases and new versions of the Software System, and to provide training and support. Franchisee understands and acknowledges that such remote access will allow both Franchisor and Franchisor's designee to have access to the data generated by Franchisee's use of the Software System, and will allow for Franchisee's submission of periodic reports to Franchisor, as required by Franchisor. Franchisor, to ensure Franchisor's access to Franchisee's data, may require Franchisee to execute an authorization form (a sample of such form is attached to this Agreement as **Exhibit "C"**), whereby Franchisee authorizes the Third-Party Provider to provide Franchisor with access to all of Franchisee's data in the possession of the Third-Party Provider via the Software System and/or otherwise.

2. **FEES**

(a) ***Software System Enrollment Fee***. Upon signing this Agreement, Franchisee will pay to ZorWare, via ACH draft from Franchisee's bank account, an enrollment fee in the amount set forth on **Exhibit "A"** to this Agreement per license granted to Franchisee. Franchisor may increase this fee as provided in **Exhibit "A"**, and/or modify the services that are provided for this fee, provided Franchisee is notified of any changes applicable to Franchisee. In the event that Franchisee enters into a franchise agreement with Franchisor for an additional franchised business (the "Additional Franchised Business"), Franchisee shall pay an initial Software System enrollment fee as set forth on **Exhibit "A"** for the Additional Franchised Business.

(b) ***Monthly Fees***. Franchisee will pay to Franchisor (or its designee) an annual support and maintenance fee, in the amount set forth on **Exhibit "A"**. The fees will be paid via automatic bank draft. ZorWare may increase the support and maintenance fees as provided on **Exhibit "A"**, and/or modify the services that are provided for these fees, provided Franchisee is notified of any changes applicable to Franchisee. The amount of each bill will be the then-current amount charged for the support and maintenance fees by ZorWare to franchisees of Franchisor.

(c) ***Additional Fees***. If Franchisor or its affiliate develops proprietary software other than the Software System that Franchisor requires or permits Franchisee to use, Franchisor may charge Franchisee a license or maintenance fee for such software that will be reasonable in light of the fees that other companies charge for comparable software packages. Unless the Parties enter into a separate license agreement for such software, the terms and conditions for that software's maintenance and support will be the same as those set forth in this Agreement.

(d) ***Late Payments***. Any amount due hereunder that is not paid within 30 days of the invoice date will incur a late fee of $25 per month, or the maximum amount allowed under the law, whichever is lower.

3. **CONFIDENTIALITY AND LIMITED ACCESS**

(a) ***Nondisclosure***. Franchisee agrees to maintain the Software System, its documentation and the data generated by the use of the Software System in confidence by using at least the same physical and other security measures that Franchisee uses for its own confidential information. Franchisee further agrees not to allow anyone to access or use the Software System or to see its documentation or the data it generates other than Franchisee's employees, agents and representatives who have a need to have access to or to use the Software System in order to support Franchisee's authorized use thereof, provided that each such employee, agent and representative shall have signed an undertaking to Franchisee acknowledging that he or she is bound by an obligation of confidentiality.

(b) ***Notice of Loss***. Franchisee shall immediately notify Franchisor upon discovering any loss or theft of any copy of the Software System or its documentation or any data generated by its use, or any unauthorized disclosure thereof by any of Franchisee's employees, agents or representatives.

4. **REPRESENTATIONS; WARRANTIES; LIMITATION OF LIABILITY**

(a) ***Franchisor's Representations***. Franchisor hereby represents, warrants and covenants that to the best of its knowledge, information and belief its maintenance obligations under this Agreement will not infringe any U.S. patent, copyright or trade secret of any third party.

(b) ***Disclaimer of Warranty***. **EXCEPT AS SPECIFICALLY PROVIDED HEREIN, FRANCHISOR DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTY WHATSOEVER. FRANCHISOR EXPRESSLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

(c) ***Limitation of Liability*. THE LIABILITY OF FRANCHISOR TO FRANCHISEE WILL BE LIMITED TO DIRECT DAMAGES ARISING SOLELY OUT OF FRANCHISOR'S MAINTENANCE OBLIGATIONS UNDER THIS AGREEMENT. IN NO EVENT WILL FRANCHISOR BE LIABLE FOR INCIDENTAL, SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF FRANCHISOR HAS PREVIOUSLY BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

5. **TERM; TERMINATION; DISABLING OF SOFTWARE SYSTEM**

(a) ***Term***. Except as otherwise expressly set forth below, with respect to each software included in the Software System, the Parties intend that the term of the license granted by the applicable Third-Party Provider for such software will be coextensive with the term of the Franchise Agreement and all renewals and extensions thereof.

(b) ***Automatic Termination***. The license granted by each Third-Party Provider will terminate automatically upon the expiration, nonrenewal or termination of the Franchise Agreement.

(c) ***Termination by Franchisor***. Franchisor may seek to have the Third-Party Provider terminate its license granted to Franchisee upon notice to Franchisee with immediate effect in the event that (i) Franchisee materially breaches any of its obligations under this Agreement or under the Franchise Agreement, or (ii) Franchisor requires Franchisee to cease using such software (or all software) included in the Software System.

(d) ***Disabling of the Software System***. Franchisor reserves the right to request that a Third-Party Provider disable the functionality of such Third-Party Provider's software included the Software

System, in whole or in part, in the event that Franchisee (i) fails in a timely manner to submit to Franchisor the reports required by Franchisor under the Franchise Agreement, (ii) fails in a timely manner to pay to Franchisor or ZorWare the required monthly Software System fees, or (iii) otherwise materially breaches this Agreement or the Franchise Agreement. Franchisor will not be liable to Franchisee for any damages whatsoever that may result directly or indirectly from a Third-Party Provider's disabling of the functionality of its software pursuant to this section.

(e) ***Disposition of Copies***. Upon termination of the license granted by a Third-Party Provider, Franchisee shall promptly return to Franchisor, or otherwise dispose of, as Franchisor may instruct, all physical copies of the applicable software included in the Software System and its associated documentation in Franchisee's possession or under Franchisee's control and shall remove all copies thereof from Franchisee's computers and other electronic storage media. Upon Franchisor's request, Franchisee shall provide Franchisor with written certification of its compliance with the foregoing.

(f) ***No Refunds***. Upon the expiration or termination of the license granted by a Third-Party Provider, or if the applicable Software System software is disabled as described above, Franchisee will not receive any refund of any payments made to ZorWare.

6. **MISCELLANEOUS**

(a) ***Remedies***. Franchisee acknowledges that any breach of the covenants set forth in Section 3 this Agreement would cause irreparable damage to Franchisor that would be incapable of precise measurement and for which no adequate remedy would exist at law. Franchisee therefore agrees that injunctive relief shall be available for any such breach in addition to all other remedies that may be available.

(b) ***Notices***. All notices, requests, consents and other communications required or permitted by this Agreement shall be in writing and shall be delivered by hand, fax, overnight delivery service, or registered or certified first class mail, to then-current address of the recipient known by the sender, to the attention of the person then holding the title of the person signing this Agreement on behalf of the recipient. Any such notice, request, consent or other communication shall be deemed given and be effective upon receipt at such address.

(c) ***Entire Agreement; Amendments***. This Agreement constitutes the entire understanding between the parties relating to the subject matter hereof, superseding all prior agreements, arrangements and understandings between the parties relating to its subject matter. This Agreement may not be amended or changed in any way unless such changes are in writing signed by the parties hereto.

(d) ***Waiver***. No delay, omission or failure to exercise any right or remedy provided for herein will be deemed to be a waiver thereof or acquiescence in the event giving rise to such right or remedy. No waiver will be binding unless contained in a writing signed by the party waiving its rights. Any waiver is limited to the specific situation in which it is given and no waiver of any breach or default under this Agreement will be construed as a waiver of any earlier or succeeding breach or default.

(e) ***Governing Law***. This Agreement will be governed by and construed in accordance with the laws of the State of Texas applicable to agreements made and to be performed entirely within the State of Texas, without regard to Texas's conflicts of law principles.

(f) ***Forum***. The parties hereby irrevocably consent to the non-exclusive jurisdiction of the federal and state courts located in Waco, McLennan County, Texas, in any action for temporary, interim or provisional equitable remedies. The parties hereby waive, to the full extent permitted by law, defenses

based on jurisdiction, venue and forum non conveniens. The parties further consent to service of process by certified mail, return receipt requested, or by any other means permitted by law.

(g) ***Costs, Expenses and Attorneys' Fees***. If an action is commenced between the parties to enforce any provision of this Agreement, the prevailing party will be entitled to reasonable costs and expenses, including attorneys' fees.

(h) ***Effective Date.*** This Agreement shall become effective on the date it is signed by Franchisor.

< SIGNATURES APPEAR ON THE NEXT PAGE >

Signed on this _____ day of _____, 20__.

FRANCHISEE:

_____

_____, individually

Accepted as of this _____ day of _____, 20__, in _____, ____.

FRANCHISOR:

JUNK KING SPV LLC

BY:_____

Paul Tis, President

EXHIBIT "A"
TO
SOFTWARE SYSTEM USER AND MAINTENANCE AGREEMENT

Software System: Junk King Junkware, enhanced security platforms for all areas of the Franchised Business, financial reporting platform (currently Qvinci), Customer Engagement Platform, Neighborly Franchise Portal, Tableau software license and overall upgrades and maintenance of the servers, Tableau platforms and the Junk King® proprietary software system, and three Junk King® email accounts.

Software included in Software System	**Third-Party Provider's Terms and Conditions that Franchisee must accept in order to access sand use of software**
Qvinci	http://www.qvinci.com/terms-of-use/ http://www.qvinci.com/saas-agreement/
FranConnect	http://franconnect.com/privacy-and-data-collection-policy/
Broadly	https://broadly.com/terms/
Microsoft Office 365	https://www.microsoft.com/en-us/trust-center/privacy
Optional Software: (*check the box if included in Software System*):	
□ QuickBooks Online	https://quickbooks.intuit.com/global/terms-of-service/

The software included in the Software System is subject to change by Franchisor upon notice to Franchisee.

Software System Fees:

These fees are subject to change by Franchisor upon notice to Franchisee.

TYPE OF SALE	**Enrollment Fee**	**Optional Services Fee**	**Monthly Fees**	**Software Included in the Services Provided**
New Franchisee	$1,250		$303.45 – monthly technology fee Additional Microsoft Office365 email accounts are available at $5.50 - $30/month depending on type of email account.	Junk King Junkware, enhanced security platforms for all areas of the Franchised Business, financial reporting platform (currently Qvinci), Customer Engagement Platform, Neighborly Franchise Portal, Tableau software

TYPE OF SALE	Enrollment Fee	Optional Services Fee	Monthly Fees	Software Included in the Services Provided
			Additional Franchise Portal User Accounts are available at $20 - $40/month. Additional access to the data warehouse (beyond the franchisee): $12/month or $144/year.	license and overall upgrades and maintenance of the servers, Tableau platforms and the Junk King® proprietary software system, and two Junk King® email accounts.
Renewal Franchise Agreement	N/A	N/A	$303.45 – monthly technology fee Additional Microsoft Office365 email accounts are available at $5.50 - $30/month depending on type of email account. Additional Franchise Portal User Accounts are available at $20 - $40/month. Additional access to the data warehouse (beyond the franchisee): $12/month or $144/year.	Junk King Junkware, enhanced security platforms for all areas of the Franchised Business, financial reporting platform (currently Qvinci), Customer Engagement Platform, Neighborly Franchise Portal, Tableau software license and overall upgrades and maintenance of the servers, Tableau platforms and the Junk King® proprietary software system, and two Junk King® email accounts.
Sale to Existing Franchisee (Contiguous Territory)	N/A	N/A	$303.45 – monthly technology fee Additional Microsoft Office365 email accounts are available at $5.50 - $30/month depending on type of email account. Additional Franchise Portal User Accounts are available at $20 - $40/month. Additional access to the data warehouse (beyond the franchisee): $12/month or $144/year.	Junk King Junkware, enhanced security platforms for all areas of the Franchised Business, financial reporting platform (currently Qvinci), Customer Engagement Platform, Neighborly Franchise Portal, Tableau software license and overall upgrades and maintenance of the servers, Tableau platforms and the Junk King® proprietary software system, and two Junk King® email accounts.

TYPE OF SALE	Enrollment Fee	Optional Services Fee	Monthly Fees	Software Included in the Services Provided
Sale to Existing Franchisee (Non-Contiguous Territory)	$1,250	N/A	$303.45 – monthly technology fee Additional Microsoft Office365 email accounts are available at $5.50 - $30/month depending on type of email account. Additional Franchise Portal User Accounts are available at $20 - $40/month. Additional access to the data warehouse (beyond the franchisee): $12/month or $144/year.	Junk King Junkware, enhanced security platforms for all areas of the Franchised Business, financial reporting platform (currently Qvinci), Customer Engagement Platform, Neighborly Franchise Portal, Tableau software license and overall upgrades and maintenance of the servers, Tableau platforms and the Junk King® proprietary software system, and two Junk King® email accounts.

If included in Software System: QuickBooks Online: $_____ / month[1]

We may increase these fees in the future but not more than 30% annually in addition to any direct price increases from third-party vendors and changes to fees due to changes to the software included in the Software System.

[1] $30 - $220 per month, depending on license tier.

EXHIBIT "B"
TO
SOFTWARE SYSTEM USER AND MAINTENANCE AGREEMENT

Basic Plan: ZorWare service level agreement will include best effort of 2- to 5-business days for response and/or resolution.

- Live Support hours: 6 AM - 7 PM CST, Mon. - Fri.
- Limit of 2 hours of phone support per month.
- If exceeds call limit then the following would apply:
- Hourly Phone Support: $125 per hour.

**ZorWare Help Desk & Team observes any/all holidays as determined by ZorWare.*

EXHIBIT K

ASSIGNMENT AND CONSENT AGREEMENT

ASSIGNMENT AND CONSENT AGREEMENT

This Assignment and Consent Agreement (this "Agreement") is made effective as of the date Franchisor signs below (the "Effective Date") and is entered into by and among [ ] ("Franchisee"), and [ ] (a "Franchisee Principal(s)") (Franchisee and Franchisee Principal(s) collectively referred to as "Assignor"), [ ] ("Assignee"), and JUNK KING SPV LLC, a Delaware limited liability company having a principal place of business at 1010 North University Parks Drive, Waco, TX 76707 ("Franchisor"). All capitalized terms not defined in this Agreement have the respective meanings set forth in the Old Franchise Agreement (as defined below).

RECITALS

A. Franchisor and Assignor are parties to a Junk King® Franchise Agreement dated [ ] (the "Old Franchise Agreement"), pursuant to which Assignor was granted the right to operate a Junk King® business in the following territory: _____ (the "Franchised Business").

B. Assignor desires to assign to Assignee all right, title and interest in the Franchised Business, including the franchise rights for the Franchised Business (the "Assignment"); Assignee wishes to accept the Assignment and, as of the Effective Date, assume all of the duties, obligations, and liabilities of Assignor related thereto by entering into a purchase and sale agreement with Assignor and by signing a franchise agreement with Franchisor.

C. Assignor represents that there is no dispute related to the offer and sale of the Old Franchise Agreement or Franchised Business, and further represents that Assignor has no claims against Franchisor under applicable laws.

D. In consideration of Assignor's request for the Assignment and the representations set forth in Recital C above, Franchisor is willing to consent to the Assignment as of the Effective Date, subject to the provisions stated below, and Assignor agrees to settle all known and unknown disputes it may have against Franchisor, if any, that exist as of the Effective Date.

AGREEMENTS

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment and Assumption. Assignor assigns to Assignee all right, title and interest in and to the Franchised Business, including the franchise rights for the Franchised Business. Assignee unconditionally assumes and accepts the Assignment of the Franchised Business, including the franchise rights for the Franchised Business, and agrees to be bound by all duties, obligations, and liabilities of the Assignor related thereto, including without limitation all of Assignor's customer obligations, including all warranty work and service plans obligations.

2. Signing of Current Form of Franchise Agreement. As a condition of Franchisor's consent to the Assignment, Assignee agrees to sign Franchisor's then-current form of franchise agreement (the "New Franchise Agreement"). Assignee acknowledges that the terms and conditions of the New Franchise Agreement may be different from the terms and conditions of the Old Franchise Agreement; provided that the training fee will be $3,000. Prior to the Effective Date, Assignee shall deliver to Franchisor two signed copies of the New Franchise Agreement, along with the executed copies of this Agreement.

3. Termination of Old Franchise Agreement. All parties agree that the Old Franchise Agreement is terminated as of the effective date of the New Franchise Agreement with no further force and effect, except for the post-termination obligations identified in Section 12 below.

4. Status of Assignor Following Assignment. Upon and after the Effective Date and subject to Section 12 below, Assignor will have no interest in and will no longer be responsible or liable for (a) the Franchised Business, (b) the franchise rights for the Franchised Business, or (c) the Old Franchise Agreement. Assignor, however, will remain liable for any responsibilities, obligations, and liabilities related to the Old Franchise Agreement and the Franchised Business up to the Effective Date, including all monetary obligations due to Franchisor, its affiliates, and other third parties under the Old Franchise Agreement that have accrued as of the Effective Date and all post-termination obligations identified in Section 12 below.

5. Assignee Principals. If Assignee is an entity, Assignee represents and warrants to Franchisor and Assignor that the following individuals and/or entities are the sole owners of Assignee (the "Assignee Principals"):

Name of Principal Owner	**Percentage of Ownership in Assignee (total must equal 100%)**
Total	**100%**

6. Payment of Transfer Fee. On or before the Effective Date, Franchisor must receive a transfer fee in the amount of (a) $7,500 and (b) 5% of the sales price, as referenced in Section 10.C. of the Old Franchise Agreement.

7. Training. On or before the Effective Date, Assignee must complete Franchisor's training requirements.

8. Payment of Fees Owed to Franchisor; Delivery of Reports. On or before the Effective Date, all fees owed by Assignor to Franchisor, its affiliates or suppliers or upon which Franchisor or its affiliates have any contingent liability, under or related to the Old Franchise Agreement (the "Fees Owed") must be paid in full. Accordingly, on or before the Effective Date, Assignor or Assignee must deliver the full amount of Fees Owed to Franchisor, its affiliate(s) and/or suppliers, along with three fully executed copies of this Agreement. In addition, on or before the Effective Date, Assignor must deliver to Franchisor any and all reports required to be delivered under the Old Franchise Agreement, including without limitation reports related to any Fees Owed and any financial and other reports relating to the Franchised Business and its operations as Franchisor may request pursuant to Section 10.D.8 of the Franchise Agreement in order for Franchisor and/or assignee to evaluate the Franchised Business and the proposed transfer.

9. Personal Guarantee. Each Assignee Principal must execute a personal guarantee in the form attached to the New Franchise Agreement.

10. Representations.

A. Assignor and Assignee represent and warrant to each other that they have the authority to execute this Agreement.

B. Assignor represents and warrants to Franchisor and Assignee that it owns all right, title and interest in and to the Franchised Business and the Old Franchise Agreement, free and clear of any mortgage, lien or claims, and has not assigned any or all of its interest in the Franchised Business or the Old Franchise Agreement to any third party.

C. Assignor and Assignee represent and warrant to Franchisor that they have consummated the asset purchase and sale transaction that is related to the Assignment contemplated hereunder as of the Effective Date.

11. Indemnification.

A. Assignor, for itself, its heirs, successors and assigns, agrees to indemnify and hold harmless Franchisor, its affiliates, successors, assigns, officers, directors, employees, agents, and each of them, against any and all liabilities, damages, actions, claims, costs (including reasonable attorneys' fees), or expenses of any nature resulting, directly or indirectly, from any of the following: (i) any misrepresentations or breach of warranty by Assignor under this Agreement; (ii) the Assignment; or (iii) any claim, suit or proceeding initiated by or for a third party(s), now or in the future, that arises out of or relates to the Old Franchise Agreement or the Franchised Business operated by Assignor prior to the Effective Date.

B. Assignee, for itself, its heirs, successors and assigns, agrees to indemnify and hold harmless Franchisor, its affiliates, successors, assigns, officers, directors, employees, agents, and each of them, against any and all liabilities, damages, actions, claims, costs (including reasonable attorneys' fees) or expenses of any nature resulting, directly or indirectly, from any of the following: (i) any misrepresentations or breach of warranty by Assignee under this Agreement; or (ii) the Assignment.

12. Assignor's Post-Termination Obligations. Assignor agrees that, upon transfer of its interest in the Franchised Business to Assignee, Assignor will comply with all post-termination obligations set forth in Section 13 of the Old Franchise Agreement, which obligations shall be incorporated herein by reference. Further, Assignor shall comply with any other provisions of the Old Franchise Agreement which, by their nature, survive termination or expiration of the Old Franchise Agreement.

13. Consent to Assignment. Franchisor consents to the Assignment subject to the terms and conditions of this Agreement. Franchisor's consent to the Assignment will not result in any waiver of any rights nor a release under the Old Franchise Agreement or New Franchise Agreement, and is not a consent to any additional or subsequent transfers or assignments.

14. Release and Settlement of Claims by Assignor. Except as may be prohibited by applicable law, Franchisee and Franchisee Principals (individually and as owners of Franchisee) and each of their respective heirs, successors, assigns, affiliates, shareholders, officers, directors, employees, and agents, and on behalf of any other party claiming an interest through them (collectively and individually referred to as

the "Assignor Parties" for purposes of Sections 14, 15 and 16 hereof), release and forever discharge Franchisor, its predecessors, successors, affiliates, directors, officers, shareholders, agents, employees and assigns (collectively and individually referred to as the "Franchisor Parties" for purposes of Sections 14, 15 and 16) of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action (collectively, "Claims"), whether known or unknown, vested or contingent, which Assignor Parties may now or in the future own or hold, that in any way relate to the Old Franchise Agreement, any other agreement between Assignor and Franchisor, the Franchised Business, or the relationship between Assignor and Franchisor through the Effective Date (collectively, "Assignor Claims"), for known or unknown damages or other losses including, but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Old Franchise Agreement or any other agreement between Assignor and Franchisor through and including the Effective Date.

15. Release by Assignee. Except as noted in this Section 15, Assignee, Assignee Principals (if any), and their respective affiliates, successors, assigns, officers, directors, employees, agents, and on behalf of any other party claiming an interest through them (collectively and individually referred to as the "Assignee Parties" for purposes of this Section 15 and Section 16 below), release and forever discharge the Franchisor Parties of and from any and all Claims, whether known or unknown, vested or contingent, which Assignee may now or in the future own or hold, that in any way relates to the Franchised Business or the New Franchise Agreement (collectively referred to as "Assignee Claims" for purposes of this Section 15 and Section 16).

As to the New Franchise Agreement, the Assignee Parties and Franchisor Parties acknowledge and agree that the release by the Assignee Parties does not relate to the offer and sale of the New Franchise Agreement. Further, the parties agree that the release as it relates to the New Franchise Agreement is effective as to Assignee Claims arising through the Effective Date of this Agreement, and not to any claims arising after the Effective Date.

16. Acknowledgement of Releasors. The release of Assignor Claims set forth in Section 14 and Assignee Claims in Section 15 are intended by the Assignor Parties and Assignee Parties (collectively, the "Releasors") to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of one of the Releasors against any other Releasor. In making this voluntary express waiver, the Releasors acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Releasors' intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. The Releasors acknowledge that they have had adequate opportunity to gather all information necessary to enter into this Agreement and release, and need no further information or knowledge of any kind that would otherwise influence the decision to enter into this Agreement. The Releasors, for themselves and their heirs, successors and assigns, hereby expressly, voluntarily, and knowingly waive, relinquish and abandon each and every right, protection, and benefit to which they would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to said Section 1542, whether now or hereafter existing under the laws of California or any other applicable federal or state law with jurisdiction over the parties' relationship. The Releasors acknowledge that Section 1542 of the Civil Code of the State of California provides as follows:

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

This release is and shall be and remain a full, complete, and unconditional general release. The Releasors acknowledge and agree that this release and the foregoing waiver are an essential, integral and material term of this Agreement. The Releasors further acknowledge and agree that no violation of this Agreement shall void the releases set forth in Sections 14 and 15.

17. Confidentiality. Assignor and Assignee acknowledge and agree that this Agreement and matters discussed in relation thereto are entirely confidential. It is therefore understood and agreed by Assignor and Assignee that they will not reveal, discuss, publish or in any way communicate any of the terms, amount or fact of this Agreement to any person, organization or other entity, except to their respective officers, employees or professional representatives, or as required by law.

18. Miscellaneous. This Agreement, and the documents referred to herein, constitute the entire agreement among the parties with respect to the subject matter hereof. No amendment will be binding unless in writing and signed by the party against whom enforcement is sought. All representations, warranties, agreements and all other provisions of this Agreement which by their terms or by reasonable implication are intended to survive the closing of this transaction will survive it.

19. Representation by Counsel. The parties have had adequate opportunity to consult with an attorney of their respective choice, including with respect to the release of claims set forth herein.

20. Governing Law/Venue. This Agreement will be construed and enforced in accordance with the laws of Texas, without regard to principles of conflicts of law. The parties further agree that any legal proceeding relating to this Agreement or the enforcement of any provision herein shall be brought or otherwise commenced only in the courts of Texas.

21. Counterparts. This Agreement may be executed in more than one counterpart, each of which shall constitute an original copy.

ASSIGNOR:

[_____]

By: _____
Name:
Title:

Date: _____

ASSIGNEE:

[_____]

By: _____
Name:
Title:

FRANCHISOR:

JUNK KING SPV LLC

By: _____
Name:
Title:

Effective Date: _____, 20__

EXHIBIT L

STATE ADDENDA AND FRANCHISE AGREEMENT RIDERS

RIDER TO THE STATE ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

FOR THE FOLLOWING STATES ONLY: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

This Rider to the State Addendum to the Franchise Disclosure Document and Franchise Agreement is entered into by and between _____, a Delaware limited liability company with an address of _____ ("Franchisor") and _____, individually, with an address of _____("Franchisee").

A. This Rider is being signed because (i) the franchised business that Franchisee will operate under the Agreement will be located in one of the states listed in the heading of this Rider (the "Applicable Franchise Registration State"); and/or (ii) any of the franchise offering or sales activity with respect to the Agreement occurred in the Applicable Franchise Registration State.

B. Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and wish to amend the Agreement as provided herein.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. The following language is hereby added to the end of the Agreement:

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

2. Except as provided in this Rider, the Agreement remains in full force and effect in accordance with its terms. This Rider shall be effective only to the extent that the jurisdictional requirements of the franchise law of the Applicable Franchise Registration State are met independently without reference to this Rider.

[SIGNATURES APPEAR ON THE NEXT PAGE]

Signed on this _____ day of _____, 20__.

FRANCHISEE:

_____
_____, individually

Accepted as of the _____ day of _____, 20__, in _____.

FRANCHISOR:

_____

BY: _____
_____, President

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

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

2. OUR WEBSITES, www.junk-king.com, and www.neighborlybrands.com, HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THESE WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION at www.dfpi.ca.gov.

3. Item 3 is amended to add the following:

   Neither we, nor any person identified in Item 2 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. 578(a) et seq., suspending or expelling such persons from membership in such association or exchange.

4. Items 17(c), (d), (e), (f), (g), (h) and (i) are amended to add the following:

   California Business and Professions Code §§20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of the franchise. If the franchise agreement is inconsistent with California law, California law will control.

5. Item 17 (h) is amended to add the following:

   The franchise agreement provides for termination under bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Sec. 101 et.seq.). Franchisor reserves the right to challenge, and intends to challenge, the applicability of any law that declares provisions of the franchise agreement void or unenforceable.

6. Item 17(m) is amended to add the following:

   You must sign a general release of all claims if you renew or transfer the franchise to a third party. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000–31516) and Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000–20043).

7. Item 17(r) is amended to add the following:

   The franchise agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law. Franchisor reserves the right to challenge, and intends to challenge, the applicability of any law that declares provisions of the franchise agreement void or unenforceable.

8. Item 17(s) is amended to add the following:

California Corporations Code §31125 requires us to give you a disclosure document, in a form containing information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

9. Item 17(u) is amended to add the following:

You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the state of California.

10. Item 17(v) is amended to add the following:

The franchise agreement requires any litigation to be filed in Waco, McLennan County, Texas. This provision may not be enforceable under California law. Franchisor reserves the right to challenge, and intends to challenge, the applicability of any law that declares provisions of the franchise agreement void or unenforceable.

11. Item 17(w) is amended to add the following:

The franchise agreement requires application of the laws of the State of Texas. This provision may not be enforceable under California law. Franchisor reserves the right to challenge, and intends to challenge, the applicability of any law that declares provisions of the franchise agreement void or unenforceable.

12. California Corporations Code Section 31125 may require us to give you a disclosure document approved by the California Department of Financial Protection & Innovation before a solicitation of a proposed modification of an existing franchise.

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

Each provision set forth in this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this Addendum.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

State Cover Page; Risk Factors.

The following statement is added to the end of the first Risk Factor: Section 4 of the Illinois franchise disclosure act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois; provided, however, that the franchise agreement may provide for arbitration in a forum outside of Illinois.

Item 17 – Additional Disclosures.

Item 17 of this disclosure document is supplemented by the addition of the following paragraphs at the end of the chart:

State Law

The Illinois Franchise Disclosure Act will govern any franchise agreement if it applies to a franchise located in Illinois.

The conditions under which you can be terminated and your rights on non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

The franchise agreement shall become effective on its acceptance and execution by us in Texas. The franchise agreement shall be interpreted and constructed under the substantive laws of Texas, except to the extent governed by the United States Arbitration Act (9 U.S.C. § 1 et seq) and the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C., § 1051 et seq.). However, under 815 ILCS 705/41, any condition, stipulation or provision purporting to find any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.

Any action brought by either party in any court, except for claims required to be submitted to arbitration, whether federal or state, shall be brought within the state or federal Court having jurisdiction in Texas. The parties waive all questions of personal jurisdiction or venue. However, under 815 ILCS 705/4, any provision that designates jurisdiction or venue outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois; provided, however, that the franchise agreement may provide for arbitration in a forum outside of Illinois.

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

Each provision set forth in this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act (815 ILL. COMP. STAT. §§ 705/1 through 705/44) are met independently without reference to this Addendum.

INDIANA ADDENDUM TO DISCLOSURE DOCUMENT

Nothing in this disclosure document or the franchise agreement is intended to be contrary to the provisions of the "Deceptive Franchise Practices" law of Indiana, which is contained in Indiana Code, Title 23, Article 2, Chapter 2.7, Sections 1 through 7 as amended ("Indiana Franchise Practices Law"). In the event of any conflict between any provision of the franchise agreement and the Indiana Franchise Practices Law the Indiana law will control, but in that case, the provision of the franchise agreement affected will be limited only to the extent necessary to bring it within the requirement of the law and, to that extent, that provision shall be deemed to have been omitted from the franchise agreement as of the date of execution of the franchise agreement. This will not affect the validity of any remaining portion of the franchise agreement.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 5: Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the franchise agreement.

2. Item 11: To obtain an accounting of the MAP Fund, the franchisee should contact the Franchisor's President or Vice President in writing.

3. Items 17 (c) and (m) are modified to state that any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Item 17(h) is modified to state that the agreement provides for termination upon insolvency. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce it to the extent the law allows.

5. Item 17(v) is modified to state that you may, subject to your obligations in the franchise agreement, bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. Item 17(w) is modified to state that Texas law applies, except as otherwise required by applicable law for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

8. Franchise Agreement, Schedule D, Acknowledgement Addendum, is amended to add the following:

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

Each provision set forth in this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise and Disclosure Law (MD CODE ANN., BUS. REG. §§ 14-201 through 14-233) are met independently without reference to this Addendum.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

1. **THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

   THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

2. Item 13 is amended to add the following:

   The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

3. Item 17(b) is amended to add the following:

   We will comply with Minn. Stat. §80C.14, which requires (except in certain specified cases) that we give you 180 days' notice for non-renewal of the franchise except in specified circumstances.

4. Item 17(f) is amended to add the following:

   We will comply with Minn. Stat. §80C.14, which requires (except in certain specified cases) that we give you 90 days' notice of termination and you will have 60 days to cure your default.

5. Item 17(c) and (m) are modified to include the following language after "general release":

   "(Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.)."

6. Item 17(l) is amended to add the following:

   We will comply with Minn. Stat. §80C.14, which requires that consent to the transfer of a franchise not be unreasonably withheld.

7. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rules 2860.4400J. Also, a court will determine if a bond is required.

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

9. Item 17(v) is amended to add the following:

   Minnesota Statutes, Section 80C.21 and Minnesota Rules 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 agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

10. Item 17(w) is amended to add the following:

    Texas law applies unless Minnesota state law supersedes this provision. Nothing in this disclosure document or the franchise agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.

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

Each provision set forth in this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Minnesota state franchise law (MINN. STAT. §§ 80C.01 through 80C.22) are met independently without reference to this Addendum.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

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

> However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by a franchisee":

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

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

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

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 17(c) is amended to add the following:

   Under §51-19-09 of the North Dakota Franchise Investment Law, you are not required to sign a general release on renewal or transfer/assignment of the franchise agreement.

2. Item 17(r) is amended to add the following:

   In accordance with North Dakota law, the restrictions of the covenant not to compete might not apply to your activities after the termination or expiration of your franchise agreement.

3. Item 17(u) is amended to add the following:

   To the extent required by law unless preempted by the Federal Arbitration Act, all disputes must be litigated or arbitrated either in North Dakota or in a mutually agreed location.

4. Item 17(v) is amended to add the following:

   To the extent required by law unless preempted by the Federal Arbitration Act, all litigation and arbitration must be in North Dakota or in a mutually agreed location.

5. Item 17(w) is amended to add the following:

   The Federal Arbitration Act and North Dakota laws apply except to the extent that the franchise agreement is governed by the United States Trademark Act of 1946 (Lanham Act, 15 USC § 1051, et seq.).

6. Item 17 is amended by the addition of the following:

   THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

   A. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to *NDCC Section 9-08-06*, without further disclosing that such covenants will be subject to the statute.

   B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

   C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

   D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

   E. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.

G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.

H. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

I. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Each provision set forth in this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law (N.D. CENT. CODE §§ 51-19-01 through 51-9-17) are met independently without reference to this Addendum.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 17(v) and (w) are amended to add the following:

> Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

Each provision set forth in this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act (19 R.I. GEN. LAWS §§ 19-28.1-1 through 19-28.1-34) are met independently without reference to this Addendum.

SOUTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

For franchises and franchisees subject to the South Dakota Franchises for Brand-Name Goods and Services Law, the following information supersedes on supplements, as the case maybe, the corresponding disclosures in the main body of the text of the Junk King SPV LLC Franchise Disclosure Document.

1. Item 17 is amended by the addition of the following language to the original language that appears therein:

(a) Before terminating the Franchise Agreement based upon your failure to meet performance and quality standards, and/or failure to make royalty payments, the franchisor must afford you a 30-day notice with an opportunity to cure said defaults.

(b) Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provides by law.

(c) Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

(d) The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, the franchise agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement and interpretation under the law of Texas.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

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

Item 17: 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 ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is

inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

_____	_____
Signature of Franchisor Representative	Signature of Franchisee Representative
_____	_____
Title of Franchisor Representative	Title of Franchisee Representative

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT

ADDENDUM TO FRANCHISE AGREEMENT
FOR RESIDENTS OF CALIFORNIA

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between JUNK KING SPV LLC, a Delaware limited liability company with an address of 1010 North University Parks Drive, Waco, TX 76707 ("Franchisor") and _____ with an address of _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (a) the offer or sale of the franchise to Franchisee was made in the State of California; (b) Franchisee is a resident of the State of California; and/or (c) the Franchised Business will be located or operated in the State of California.

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

3. Franchisor's financing program is offered pursuant to the franchise loan exemption under Section 22063 of the California Finance Lenders Law. If Franchisee decides to finance all or a portion of the initial franchise fee using Franchisor's financing program, Franchisee hereby confirms that Franchisee intends to use the financing primarily for purposes other than personal, family, or household purposes.

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

6. Each provision set forth in this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the parties have duly signed and delivered this Addendum as of the date first written above.

Signed on this _____ day of _____, 20__.

FRANCHISEE:

_____
_____, individually

Accepted as of the _____ day of _____, 20__, in _____, ___.

FRANCHISOR:

JUNK KING SPV LLC

BY: _____
_____, President

ADDENDUM TO FRANCHISE AGREEMENT
FOR RESIDENTS OF ILLINOIS

This ADDENDUM TO FRANCHISE AGREEMENT is entered into by and between JUNK KING SPV LLC, a Delaware limited liability company with an address of 1010 North University Parks Drive, Waco, TX 76707 ("Franchisor") and _____, individually, with an address of _____ (Franchisee").

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and the parties wish to amend the Agreement. This Addendum is being signed because (a) the offer or sale of the franchise for the Franchised Business that you will operate under the Agreement was made in the State of Illinois, (b) the Franchised Business, territory or a portion of the territory will be located in Illinois, and/or (c) Franchisee is a resident of Illinois.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified herein.

2. Section 14.G.1, **Applicable Law and Waiver**, and Section 14.H, **Venue**, are amended to add the following:

> "If any provisions of the Agreement are inconsistent with applicable Illinois state law, then Illinois state law shall apply. Any provision which designates jurisdiction or venue in a forum outside Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois. Any condition, stipulation or provision purporting to bind any person acquiring any Franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act is void."

3. Section 13.B, **Claims**, is amended to add the following:

> "However, nothing in this Section shall shorten any period within which you may bring a claim under Section 705/27 of the Illinois Franchise Disclosure Act or constitute a condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act of 1987 or any other Illinois law (as long as the jurisdictional requirements of that Illinois law are met)."

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

5. Each provision set forth in this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act

(815 ILL. COMP. STAT. §§ 705/1 through 705/44) are met independently without reference to this Addendum.

Signed on this _____ day of _____, 20__.

FRANCHISEE:

_____

_____, individually

Accepted as of the _____ day of _____, 20__, in _____, ___.

FRANCHISOR:

JUNK KING SPV LLC

BY: _____

_____, President

ADDENDUM TO FRANCHISE AGREEMENT
FOR RESIDENTS OF MARYLAND

This ADDENDUM TO FRANCHISE AGREEMENT is entered into by and between JUNK KING SPV LLC, a Delaware limited liability company with an address of 1010 North University Parks Drive, Waco, TX 76707 ("Franchisor") and _____, individually, with an address of _____("Franchisee").

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and wish to amend certain terms of the Agreement. This Addendum is being signed because (a) Franchisee is a resident of the State of Maryland, and/or (b) the Franchised Business will be located or operated in Maryland.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified herein.

2. Section 7.A, **MAP Fund**, is amended by adding the following language:

"To obtain an accounting of the MAP Fund, you should contact our President or Vice President in writing."

3. Section 4.B, **Renewal**, and Section 10.D.6, **Conditions of Transfer** are amended by adding the following language:

"However, such general release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

4. Section 8.A, Initial Franchise Fee, is amended by adding the following language at the end of the section:

"Based upon our financial condition, the Maryland Securities Commissioner has imposed a fee deferral requirement. Therefore, you will not be required to pay the initial fees due to us and/or our affiliates, including the Initial Franchise Fee and any other fees, until we have completed all our pre-opening obligations to you and you begin operating your franchise business."

5. Section 12.B.2(vi), **Immediate Termination With No Opportunity to Cure**, is amended by adding the following language:

"(Termination upon insolvency might not be enforceable under federal insolvency law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce this provision to the maximum extent the law allows.)"

6. Section 14.G.1, **Applicable Law and Waiver**, and Section 14.H, **Venue**, are amended by adding the following language:

"Subject to your arbitration obligations, a franchisee in Maryland may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

7. Section 13.B, **Claims**, is amended to add the following:

"However, the limitation of such claims shall not act to reduce the three (3) year statute of limitations afforded to you for bringing a claim under the Maryland Franchise Registration and Disclosure Law."

8. The Franchise Agreement is amended by adding the following language at the end of the document:

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

9. Each provision set forth in this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise and Disclosure Law (MD CODE ANN., BUS. REG. §§ 14-201 through 14-233) are met independently without reference to this Addendum.

Signed on this _____ day of _____, 20__.

FRANCHISEE:

_____

_____, individually

Accepted as of the _____ day of _____, 20__, in _____, ___.

FRANCHISOR:

JUNK KING SPV LLC

BY: _____

_____, President

ADDENDUM TO FRANCHISE AGREEMENT
FOR RESIDENTS OF MINNESOTA

This ADDENDUM TO FRANCHISE AGREEMENT is entered into by and between JUNK KING SPV LLC, a Delaware limited liability company with an address of 1010 North University Parks Drive, Waco, TX 76707 ("Franchisor") and _____, individually, with an address of _____ ("Franchisee").

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and wish to amend certain terms of the Agreement. This Addendum is being signed because (a) the Business that Franchisee will operate under the Agreement will be located in Minnesota; and/or (b) any of the franchise offering or sales activity with respect to the Agreement occurred in Minnesota.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified herein.

2. Section 4.B, **Renewal**, is amended by adding the following language:

"Unless the failure to renew your license is for good cause as defined in Minnesota Statutes Section 80C.14, Subdivision 3, Paragraph (b), and you have failed to correct the reasons for termination as required by Subdivision 3, we may not fail to renew your license unless:

(1) You have been given written notice of the intention not to renew at least 180 days in advance of the expiration of this Agreement; and

(2) You has been given an opportunity to operate the Business over a sufficient period of time to enable you to recover the fair market value of the Business as a going concern, as determined and measured from the date of the failure to renew. We may not refuse to renew your license if our refusal is for the purpose of converting the Business premises, or the franchise, to an operation that will be owned by us for our own account.

Any release required by us as a condition of renewal of the franchise will not apply to the extent that such release is specifically prohibited by the Minnesota Franchise Law."

3. Section 3.D, **Litigation**, is amended by adding the following language

"The Minnesota Department of Commerce requires that we indemnify you against liability to third parties resulting from claims by third parties that your use of our Mark infringes the trademark rights of the third party. We do not indemnify against the consequences of your use of our Mark except in accordance with the requirements of this Agreement, and, as a condition to indemnification, you must provide notice to us of any such claim and tender defense of the claim to us. If we accept the tender of defense, we have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, or whether to appeal a final determination of the claim."

4. Section 10.D.6, **General Release**, is hereby deleted from the Agreement in accordance with Minnesota Rule 2860.4400D.

5. Section 12.B, **Termination By Us**, is hereby amended by adding the following language:

"Pursuant to Minn. Stat. Sec. 80C.14, Subdivisions 4 & 5, no person may terminate or cancel a franchise unless (i) that person has given notice setting forth all the reasons for the termination or cancellation at least 90 days in advance of termination or cancellation, and (ii) the recipient of the notice fails to correct the reasons stated for termination or cancellation in the notice within 60 days of receipt of the notice; except that the notice is effective immediately upon receipt where the alleged grounds for termination or cancellation are:

(1) voluntary abandonment of the franchise relationship by you;

(2) the conviction of you of an offense that is directly related to the business conducted pursuant to the franchise; or

(3) failure to cure a default under this Agreement which materially impairs the goodwill associated with our trade name, trademark, service mark, logotype or other commercial symbol after you have received written notice to cure at least twenty-four (24) hours in advance thereof.

No person may terminate or cancel a franchise except for good cause. "Good cause" means failure by you to substantially comply with the material and reasonable franchise requirements imposed by us including, but not limited to:

(1) your bankruptcy or insolvency;

(2) a voluntary or involuntary assignment for the benefit of creditors or any type of similar disposition of the assets of the Business;

(3) voluntary abandonment of the Business;

(4) your conviction or your plea of guilty or no contest to a charge of violating any law relating to the Business; or

(5) any act or conduct which materially impairs the goodwill associated with our trademark, trade name, service mark, logo or other commercial symbol."

6. Section 11.B, **Exceptions to Mediation**, is amended by adding the following language:

"Under Minnesota law, we may seek a restraining order, injunction and such other equitable relief as may be appropriate, but we are not automatically entitled to such relief and you have not automatically consented to such relief."

7. Section 14.G.1, **Applicable Law and Waiver**, and Section 14.I., **Jury Waiver**, are amended by adding:

"Pursuant to Minnesota Statutes Section 80C.21 and Minnesota Rule Part 2860.4400J, and subject to your arbitration obligations, this section shall not in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, including the right to submit

matters to the jurisdiction of the courts of Minnesota and the right to bring a cause of action within three years after the cause of action accrues. You cannot be required to consent to the waiver of a jury trial."

8. Schedule D, **Acknowledgment Addendum**, is amended by adding the following language:

"Pursuant to Minnesota Rule 2860.4400J, the foregoing acknowledgments contained in this section shall not be construed as a waiver of my rights."

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

10. Each provision set forth in this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Minnesota state franchise law (MINN. STAT. §§ 80C.01 through 80C.22) are met independently without reference to this Addendum.

Signed on this _____ day of _____, 20__.

FRANCHISEE:

_____

_____, individually

Accepted as of the _____ day of _____, 20__, in _____, _____.

FRANCHISOR:

JUNK KING SPV LLC

BY: _____

_____, President

ADDENDUM TO FRANCHISE AGREEMENT
FOR RESIDENTS OF NORTH DAKOTA

This ADDENDUM TO FRANCHISE AGREEMENT is entered into by and between JUNK KING SPV LLC, a Delaware limited liability company with an address of 1010 North University Parks Drive, Waco, TX 76707 ("Franchisor") and _____, individually, with an address of _____ ("Franchisee").

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and wish to amend certain terms of the Agreement. This Addendum is being signed because (a) the offer or sale of the franchise for the franchised Business that Franchisee will operate under the Agreement was made in the State of North Dakota, and/or (b) Franchisee is a resident of North Dakota and the franchised Business will be located in North Dakota.

NOW, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified herein.

2. Section 9.D, **Noncompetition Covenants**, is amended by adding the following: "Covenants not to compete are generally considered unenforceable in the State of North Dakota pursuant to Section 9-08-06 of the North Dakota Century Code."

3. Section 4.B, **Renewal**, and Section 10.D.6, **General Release**, are amended by adding the following: "Franchise Agreements that require the franchisee to sign a general release upon renewal or transfer are considered unfair, unjust and inequitable and are hereby deleted in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law."

4. Section 14.G.1, **Applicable Law and Waiver** and Section 14.H., **Venue**, are amended by adding the following: "Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, this Agreement will be governed by the laws of the state of North Dakota."

5. Section 11, **Dispute Resolution**, is amended by adding the following: "Notwithstanding the foregoing, if and to the extent required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), arbitration proceedings will be conducted at a mutually agreeable site in North Dakota."

6. Section 13.B, **Claims**, is amended by adding the following: "If and to the extent any provisions of this Section of the Agreement are inconsistent with the North Dakota Franchise Investment Law, then the applicable provisions of the North Dakota Franchise Investment Law shall apply."

7. Section 14.I, **Waiver of Jury**, is amended by adding the following: "If and to the extent any provisions of this Section of the Agreement are inconsistent with the North Dakota Franchise Investment Law, then the applicable provisions of the North Dakota Franchise Investment Law shall apply."

8. Section 14.K, **Waiver of Punitive and Consequential Damages**, is amended by adding the following: "If and to the extent any provisions of this Section of the Agreement are inconsistent with

the North Dakota Franchise Investment Law, then the applicable provisions of the North Dakota Franchise Investment Law shall apply."

9. Each provision set forth in this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law (N.D. CENT. CODE §§ 51-19-01 through 51-9-17) are met independently without reference to this Addendum.

Signed on this _____ day of _____, 20__.

FRANCHISEE:

_____

_____, individually

Accepted as of the _____ day of _____, 20__, in _____, ___.

FRANCHISOR:

JUNK KING SPV LLC

BY: _____

_____, President

ADDENDUM TO FRANCHISE AGREEMENT
FOR RESIDENTS OF RHODE ISLAND

This ADDENDUM TO FRANCHISE AGREEMENT is entered into by and between JUNK KING SPV LLC, a Delaware limited liability company with an address of 1010 North University Parks Drive, Waco, TX 76707 ("Franchisor") and _____, individually, with an address of _____ ("Franchisee").

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and wish to amend certain terms of the Agreement. This Addendum is being signed because (a) the offer or sale of the franchise for the Franchised Business that Franchisee will operate under the Agreement was made in the State of Rhode Island, and/or (b) Franchise is a resident of Rhode Island and the Franchised Business will be located in Rhode Island.

NOW, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified herein.

2. Section 14.G.1, **Applicable Law and Waiver**, and Section 14.H, **Venue**, are amended by adding:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Each provision set forth in this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act (19 R.I. GEN. LAWS §§ 19-28.1-1 through 19-28.1-34) are met independently without reference to this Addendum.

[SIGNATURE PAGE TO FOLLOW]

Signed on this _____ day of _____, 20__.

FRANCHISEE:

_____

_____, individually

Accepted as of the _____ day of _____, 20__, in _____, _____.

FRANCHISOR:

JUNK KING SPV LLC

BY: _____

_____, President

ADDENDUM TO FRANCHISE AGREEMENT
FOR RESIDENTS OF SOUTH DAKOTA

This ADDENDUM TO FRANCHISE AGREEMENT is entered into by and between Junk King SPV LLC, a Delaware limited liability company with an address of 1010 North University Parks Drive, Waco, Texas 76707 ("Franchisor") and _____, individually, with an address of _____ ("Franchisee").

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and wish to amend certain terms of the Agreement. This Addendum is being signed because (a) the offer or sale of the franchise for the Franchised Business that Franchisee will operate under the Agreement was made in the State of South Dakota, and/or (b) Franchisee is a resident of South Dakota and the Franchised Business will be located in South Dakota.

NOW, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified herein.

2. Section 12.B of the Franchise Agreement is amended to provide as follows:

Before terminating the Franchise Agreement based upon your failure to meet performance and quality standards, and/or failure to make royalty payments, the franchisor must afford you 30 days written notice with an opportunity to cure said defaults prior to termination.

3. Section 9.D of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

"Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provides by law."

4. Section 14.G.1 of the Franchise Agreement is amended to reflect the following:

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this Agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement and interpretation under the laws of the state of Texas.

5. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota. In the event that either party shall make demand for arbitration, such arbitration shall be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.

The undersigned does hereby acknowledge receipt of this Addendum.

Signed on this _____ day of _____, 20__.

FRANCHISEE:

_____
_____, individually

Accepted as of the _____ day of _____, 20__, in _____, ____.

FRANCHISOR:

_____
BY: _____
_____, President

ADDENDUM TO FRANCHISE AGREEMENT
FOR RESIDENTS OF VIRGINIA

This ADDENDUM TO FRANCHISE AGREEMENT is entered into by and between Junk King SPV LLC, a Delaware limited liability company with an address of 1010 North University Parks Drive, Waco, Texas 76707 ("Franchisor") and _____, individually, with an address of _____ "Franchisee").

WHEREAS, Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and wish to amend certain terms of the Agreement. This Addendum is being signed because (a) the offer or sale of the franchise for the Franchised Business that Franchisee will operate under the Agreement was made in the State of Virginia, (b) Franchisee is a resident of Virginia, and/or (c) the Franchised Business will be located or operated in the State of Virginia.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the Agreement is hereby amended as follows:

1. Notwithstanding anything to the contrary in the Agreement, in the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control. The parties agree that the Agreement remains fully effective in all respects except as specifically modified herein, and all the respective rights and obligations of Franchisee and Franchisor remain as written unless modified herein.

The undersigned does hereby acknowledge receipt of this Addendum.

Signed on this _____ day of _____, 20__.

FRANCHISEE:

_____
_____, individually

Accepted as of the _____ day of _____, 20__, in _____, ____.

FRANCHISOR:

_____
BY: _____
_____, President

EXHIBIT M

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

California:	April 1, 2026
Hawaii:	[PENDING]
Illinois:	April 1, 2026
Indiana:	April 1, 2026
Maryland:	[PENDING]
Michigan:	April 1, 2026
Minnesota:	[PENDING]
New York:	April 1, 2026
North Dakota:	[PENDING]
Rhode Island:	February 1, 2026
South Dakota:	April 6, 2026
Virginia:	[PENDING]
Washington:	[PENDING]
Wisconsin:	April 2, 2026

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

RECEIPTS

RECEIPT
(OUR COPY)

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

If JUNK KING SPV 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, if applicable, requires 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.

Iowa and Michigan, if applicable, 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 JUNK KING SPV LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agencies listed in Exhibit B.

The name, principal business address, and telephone number of the Franchise Sellers offering the franchise are Paul Tis, Amy Davis and Bradley Stevenson: 1010 North University Parks Drive, Waco, Texas 76707 , 888-887-5865:

Additional Sellers/telephone numbers:

Name/Contact Information for Broker or Additional Franchise Seller, if any (Address for additional Franchise Seller is same as above): _____
_____
_____
_____

ISSUANCE DATE: APRIL 1, 2026

I RECEIVED A DISCLOSURE DOCUMENT DATED APRIL 1, 2026, THAT INCLUDED THE FOLLOWING EXHIBITS: (A) franchise agreement and Schedules; (B) Agencies/Agents for Service of Process; (C) Financial Statements; (D) Parent Guarantee; (E) Current Franchisees in the United States as of December 31, 2025; (F) Franchisees in the United States who left the System in the past 12 months as of December 31, 2025; (G) Renewal Addendum; (H) General Release [sample]; (I) PROTRADENET Agreement; (J) Software System User and Maintenance Agreement; (K) Assignment and Consent Agreement; (L) State Addenda; and (M) State Effective Dates.

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

RECEIPT
(YOUR COPY)

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

If JUNK KING SPV 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.

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If JUNK KING SPV LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agencies listed in Exhibit B.

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Additional Sellers/telephone numbers:

Name/Contact Information for Broker or Additional Franchise Seller, if any (Address for additional Franchise Seller is same as above): _____

_____

_____

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_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name