

Total Territories	Minimum Monthly Royalty Months 0 to 6	Minimum Monthly Royalty Months 7 to 12	Minimum Monthly Royalty Months 12+
1	\$0	\$1,100	\$1,650
2	\$0	\$2,200	\$3,300
3	\$0	\$3,300	\$4,950
4	\$0	\$4,400	\$6,600
5	\$0	\$5,500	\$8,250
6	\$0	\$6,600	\$9,900
7	\$0	\$7,700	\$11,550
8	\$0	\$8,800	\$13,200
9	\$0	\$9,900	\$14,850
10	\$0	\$11,000	\$16,500
The Minimum Monthly Royalty Fee Requirement is not imposed during the initial six month period following the opening of your VaVia Business.			

Notwithstanding the foregoing, if we, in our sole discretion, authorize you to offer 30-yard dumpsters as part of your Franchised Business, you shall be entitled to an abatement of Royalty Fees for a period of eight (8) consecutive months on Gross Sales that are generated from 30-yard dumpsters (the "Royalty Fee Abatement Period"). The Royalty Fee Abatement Period shall commence on the first date on which you generate Gross Sales attributable to 30-yard dumpsters and shall automatically expire after the expiration of eight (8) consecutive months. Commencing upon the expiration of the Royalty Fee Abatement Period and continuing throughout the remainder of the Term of the Franchise Agreement, you shall be obligated to pay Royalty Fees on all Gross Sales generated in connection with 30-yard dumpsters at a rate of ~~eight percent (8%)~~ 8% of such Gross Sales.

Note 3: Gross Sales – "Gross Sales" means the total dollar sales from all business and customers of your VaVia Business and includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by you or any other person or Corporate Entity from business conducted or which started in, on, from or through your VaVia Business and/or your Operating Territory, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement. Gross Sales include the total gross amount of revenues and sales from whatever source derived from and/or derived by you including, any person and/or Corporate Entity acting on your behalf, from business conducted within and/or outside your Operating Territory that is related to your VaVia Business and/or a competitive business located and/or operated within your Operating Territory, outside your Operating Territory, and/or otherwise. Gross Sales do not include (a) sales taxes that you collect and remit to the proper taxing authority, and (b) authorized promotional discounts that you provide to customers.

Note 4: Brand Development Fund – The brand development fund fee is a continuing monthly fee equal to an amount of up to 2% of your monthly Gross Sales (the "Brand Development Fund Fee"). Currently we charge 1% of your monthly Gross Sales as the Brand Development Fund Fee but reserve the right to increase this in the future.

Note 5: Franchisee Directed Local Marketing– On an on-going monthly basis, you must spend not less than 1.5% of your monthly Gross Sales on the local marketing of your VaVia Business within your operating territory and in accordance with our standards and specifications. We may increase this requirement but not more than 2% of your monthly Gross Sales.

Note 6: Local and Regional Advertising Cooperatives – If two or more VaVia Businesses are operating within a geographic area, region, or market designated by us (a "designated market"), we reserve the right to establish and require your participation in a local or regional advertising cooperative within the designated market. If an advertising cooperative is established within a designated market that includes your VaVia Business(s), you will be

		transfer must provide for the assignment and/or ownership of the approved location for the Franchised Business, and the transferee's continued use and occupancy of such location throughout the term of the Franchise Agreement; the assets of the Franchised Business must be transferred to the transferee; the transferee and the transferee's owners and managers, at the transferee's expense, must complete our training programs; we waive our right of first refusal; we approve of the transfer and transferee in writing and subject to our discretion; and you pay the Transfer Fee (subject to applicable state laws).
n. Franchisor's right of first refusal to acquire franchisee's business	14.F.	We have the right to match any offer to purchase your VaVia Business or the Corporate Entity operating your VaVia Business.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable.
p. Death or disability of franchisee	14.D.	If you are an individual, within 30 days of your death or permanent disability, your executor and/or legal representative must appoint an Operating Manager approved by us and within 60 days of such appointment the Operating Manager must complete, to our satisfaction, our initial training program. Within 12 months of the date of death or disability, the Franchise Agreement must be transferred to a transferee approved by us and otherwise transferred in accordance with the terms of the Franchise Agreement. If the franchisee is a Corporate Entity, within 30 days of the death or permanent disability of your Managing Owner, if there are other Owners, you must appoint a replacement Operating Manager approved by us and within 60 days of such appointment the replacement Operating Manager must complete, to our satisfaction, our initial training program.
q. Non-competition covenants during the term of the franchise	6	No involvement in any competitive business and must comply with confidentiality, non-disclosure and non-solicitation covenants. <u>Subject to applicable state law.</u>
r. Non-competition covenants after the franchise is terminated or expires	6, 17	No involvement, ownership or interest whatsoever for 24 months in any competing business in: your Operating Territory; a 50 mile radius of your Operating Territory; the Operating Territory of any other VaVia Business; and you must comply with confidentiality, non-disclosure and non-solicitation covenants. <u>Subject to applicable state law.</u>
s. Modification of the agreement	18.L.	Requires writing signed by you and us, except for unilateral changes that we may make to the Manuals or our unilateral reduction of the scope of a restrictive covenant that we may make in our discretion.
t. Integration/merger clauses	18.M.	Only the terms of the Franchise Agreement and schedules to the Franchise Agreement and the respective signed exhibits

Gross Sales in any monthly period (or any Accounting Period designated by Franchisor) (the “Out of Territory Threshold”), Franchisor will not assess the Out of Territory Royalty Rate. In the event that Out of Territory Gross Sales exceeds the Out of Territory Threshold in any Accounting Period, Franchisor will assess the Out of Territory Royalty Rate on all Out of Territory Gross Sales above the Out of Territory Threshold. The Minimum Monthly Royalty Fee Requirement is determined based on the number of Territories located within Franchisee’s Operating Territory, as determined by Franchisor, and as set forth in the following schedule:

Total Territories	Minimum Monthly Royalty Months 0 to 6	Minimum Monthly Royalty Months 7 to 12	Minimum Monthly Royalty Months 12+
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9	\$0	\$9,900	\$14,850
10	\$0	\$11,000	\$16,500

Commencement: The Minimum Monthly Royalty Fee Requirement is not imposed during the initial six month period following the earlier of the Actual Opening Date or the Scheduled Opening Date and shall apply to all Territories purchased by Franchisee and/or included in Franchisee’s Operating Territory.

Renewal Term: During any applicable renewal term, Franchisor, in Franchisor’s Reasonable Business Judgment, may increase the applicable Minimum Monthly Royalty Fee Requirement by an amount not exceeding 10% per annum.

Notwithstanding the foregoing, if Franchisor, in Franchisor’s sole discretion, authorizes Franchisee to offer 30-yard dumpsters as part of Franchisee’s Franchised Business, Franchisee shall be entitled to an abatement of Royalty Fees that are generated from 30-yard dumpsters for a period of eight (8) consecutive months (the "Royalty Fee Abatement Period"). The Royalty Fee Abatement Period shall commence on the first date on which Franchisee generates Gross Sales attributable to 30-yard dumpsters and shall automatically expire after the expiration of eight (8) consecutive months. Commencing upon the expiration of the Royalty Fee Abatement Period and continuing throughout the remainder of the Term of the Franchise Agreement, Franchisee shall be obligated to pay Royalty Fees on all Gross Sales generated in connection with 30-yard dumpsters at a rate of eight percent (8%) of such Gross Sales.

Payment and Due Date: The Royalty Fee shall be calculated on a monthly basis for each respective monthly Accounting Period. Royalty Fee payments shall be paid by Franchisee to Franchisor monthly by ACH, electronic funds transfer, or as otherwise designated by Franchisor and shall be due on the 10th day of each monthly Accounting Period for the preceding month, and each month thereafter throughout the entire Term of this Agreement or, such other specific day of the month that Franchisor designates from time to time or for such other period that Franchisor may designate (the “Due Date”).

Tax Obligations: If any federal, state or local tax, other than an income tax, is imposed on the Royalty Fee paid by Franchisee to Franchisor that, Franchisor cannot directly and, dollar for dollar, offset against taxes required to be paid by Franchisor under any applicable federal or state laws, Franchisee must compensate