

## FRANCHISE DISCLOSURE DOCUMENT

**360 TOUR DESIGNS FRANCHISING, LLC**  
**Pennsylvania limited liability company**  
**355 North 21st Street, Suite 105**  
**Camp Hill, Pennsylvania 17011**  
**717-547-5360**  
**Keith@360tourdesigns.com**  
**www.360tourdesigns.com**



The franchisee will operate a residential and commercial real estate and property imagery business under the "360 Tour Designs" trademarks.

The initial investment necessary to begin operation of a 360 Tour Designs franchised business ranges from \$66,075 to \$77,400. This includes \$61,250 that must be paid to the franchisor or its affiliates.

The initial investment necessary to begin operation of a 360 Tour Designs Area Development Agreement ranges from \$100,575 to \$111,900. This includes \$95,750 that must be paid to the franchisor or its 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 the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

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 accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise", which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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 29, 2025

## 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
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only 360 Tour Designs business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be 360 Tour Designs franchisee?</b>	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 A.

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 us by mediation and litigation only in Pennsylvania. Out-of-state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and litigate with us in Pennsylvania than in your own state.
2. **Spouse Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.
3. **Minimum Sales.** 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.
4. **Limited Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
5. **Minimum Advertising Payments.** You must make minimum advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
6. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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.

**360 TOUR DESIGNS FRANCHISING, LLC**  
**Franchise Disclosure Document**

ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES .....	1
ITEM 2: BUSINESS EXPERIENCE .....	3
ITEM 4: BANKRUPTCY.....	3
ITEM 5: INITIAL FEES .....	3
ITEM 6: OTHER FEES .....	5
ITEM 7: ESTIMATED INITIAL INVESTMENT .....	11
ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	14
ITEM 9: FRANCHISEE'S OBLIGATIONS.....	15
ITEM 10: FINANCING.....	17
ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING .....	17
ITEM 12: TERRITORY.....	25
ITEM 13: TRADEMARKS .....	27
ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	29
ITEM 15: OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS .....	30
ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL .....	30
ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION .....	31
ITEM 18: PUBLIC FIGURES .....	35
ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS .....	36
ITEM 21: FINANCIAL STATEMENTS.....	40
ITEM 22: CONTRACTS .....	40
ITEM 23: RECEIPT .....	40
STATE EFFECTIVE DATES .....	70

**LIST OF EXHIBITS**

EXHIBIT A:	List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B:	Franchise Agreement
EXHIBIT C:	Area Development Agreement
EXHIBIT D:	Financial Statements
EXHIBIT E:	Operations Manual Table of Contents
EXHIBIT F:	Franchised Outlets
EXHIBIT G:	State Addenda
EXHIBIT H:	Franchisee Acknowledgement Statement
EXHIBIT I:	Receipt

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

To simplify the language in this disclosure document, the terms "Franchisor", or "we" or "us" means 360 Tour Designs Franchising, LLC, the Franchisor. The terms "we", "us" and "Franchisor" do not include you, the "Franchisee". We refer to the purchaser(s) of a 360 Tour Designs franchise, as "you" or "Franchisee", whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.

We were formed as a limited liability company in the Commonwealth of Pennsylvania on November 27, 2018. Our principal business address is 355 North 21st Street, Suite 105, Camp Hill, Pennsylvania, 17011, and our telephone number is 717-547-5360. We do business under our company name, "360 Tour Designs" and its associated design (the "Marks"). Our affiliate, 360 Tour Designs IP, LLC, has registered, or has filed for registration, our primary service marks on the Principal Register of the United States Patent and Trademark Office. We do not own or operate any businesses of the type you will be operating. We have not offered franchises in any other line of business. We only offer franchises which operate under the "360 Tour Designs" Marks. We began offering franchises on February 13, 2019, the Issuance Date of this Disclosure Document; however, from February, 2014, through July, 2018, our affiliate, 360 Tour Designs & Marketing, LLC, did offer independent contractor agreements to sales representatives to provide photography and other real estate imagery services to real estate agents, home builders and property managers in specified geographical areas. Neither we nor any of our affiliates currently offer such independent contractor agreements, although 18 of these agreements are still in place.

The principal business addresses of our agents for service of process are shown on Exhibit A.

**Our Parents, Predecessors and Affiliates**

We have no predecessor company.

We have a parent company, 360 Tour Designs Holding, LLC, a Pennsylvania limited liability company with a principal place of business at 355 North 21<sup>st</sup> Street, Suite 105, Camp Hill, Pennsylvania, 17011. 360 Tour Designs Holding, LLC, was formed on November 27, 2018, and is our owner. 360 Tour Designs Holding, LLC, has not offered franchises in this or in any other lines of business previously.

We have an affiliated company, 360 Tour Designs IP, LLC, a Pennsylvania limited liability company with a principal place of business at 355 North 21<sup>st</sup> Street, Suite 105, Camp Hill, Pennsylvania, 17011. 360 Tour Designs IP, LLC, was formed on November 27, 2018, 360 Tour Designs IP, LLC, has not offered franchises in this or in any other lines of business previously.

We have a second affiliated company, 360 Tour Designs & Marketing, LLC, a Pennsylvania limited liability company with a principal place of business at 355 North 21<sup>st</sup> Street, Suite 105, Camp Hill, Pennsylvania, 17011. 360 Tour Designs & Marketing, LLC, has operated a residential and commercial real estate and property imagery business in Mechanicsburg, Pennsylvania, and the surrounding counties, using the Marks since its formation on May 11, 2010. 360 Tour Designs & Marketing, LLC and is the owner of our Marks and has exclusively licensed use of the Marks to us. 360 Tour Designs & Marketing, LLC, has not offered franchises in this or in any other lines of business previously, although 360 Tour Designs & Marketing, LLC, is a party to independent contractor agreements that permit sales representatives to provide our products and services in designated territories. We may operate other 360 Tour Design concepts, including

additional 360 Tour Design businesses similar to the business offered by this Disclosure Document, in the future.

### **The Franchise Offered:**

We offer franchises for the right to operate a comprehensive residential and commercial real estate and property imagery services business under the 360 Tour Designs Marks and using our distinctive operating procedures and standards in a designated area (the "Franchised Business"). The Franchised Business will provide photography, floor plans, staging and other imagery services to real estate agents, builders and property managers for use in their marketing efforts. The distinguishing characteristics of the Franchised Business include, but are not limited to, our distinctive and uniform trade dress standards, operations procedures, service methods, and methods for management, training, and marketing, all of which may be changed, improved or further developed by us at any time (the "System").

### **Market and Competition:**

The market for your Franchised Business consists of residential and commercial real estate agents, real estate developers and builders, property managers and other real property sellers, lessors, insurers, or lenders. The market for our services is not seasonal but does have peak periods. The market may also be affected by economic conditions and the amount of real estate sales activity in your designated territory.

The residential and commercial real estate and property imagery and photography business is emerging. You will compete with real property photographers, including national, regional and local companies, offering services similar to those offered by your Franchised Business. There are other real estate and property imagery franchises, as well as independent businesses and individual providers that may offer similar services and products.

### **Industry Specific Regulations:**

Within thirty (30) days of Initial Training, you must obtain a valid drone pilot's license and must maintain this license throughout the Term of the Franchise Agreement. You must comply with all rules and regulations of the Federal Aviation Administration, your state, and your local jurisdiction that relate to the safe and proper operation of unmanned aircraft (drone), including, but not limited to, registration, licensing and renewal requirements.

Some states may have other licensing, certification or registration requirements applicable to some or all of the services you will be providing through your Franchised Business. You may be required to pay a fee to the state agency or association responsible for enforcing these requirements. Some states may require a minimum level of education or related work experience to obtain licenses.

You must comply with all local, state and federal laws and regulations that apply to the operation of your Franchised Business, including, among others, business operations, insurance, discrimination, and employment laws. Your advertising of the Franchised Business is regulated by the Federal Trade Commission. There may be federal, state and local laws which affect your Franchised Business in addition to those listed here. You will be responsible for investigating and complying with any such laws in your designated territory. You should consider both their effect on your business and the cost of compliance. You should thoroughly investigate all of these laws and requirements before purchasing a 360 Tour Designs franchise.

**ITEM 2: BUSINESS EXPERIENCE****Founder: Keith Bolash**

Keith Bolash is our founder. Keith established the 360 Tour Designs and Marketing concept in 2009, and since then has worked exclusively developing and growing the brand.

**Chief Executive Officer: Greg Drake**

Greg Drake is our Chief Executive Officer. Greg joined our affiliate, 360 Tour Designs and Marketing, LLC, as a partner in April 2015. From 1991 through October 2014, Greg worked in various management positions at Isaac's Deli, Inc., beginning as a kitchen manager in the Lancaster, Pennsylvania, outlet and advancing through roles as facilities manager, regional manager and ultimately becoming Senior Manager for the company.

**ITEM 3: LITIGATION**

*In the Matter of Determining Whether there has been a violation of the Washington Franchise Investment Protection Act: 360 Tour Designs & Marketing, LLC, Order No. S-19-2680-19-CO01* (State of Washington Department of Financial Institutions Securities Division). On August 9, 2019, without trial or final adjudication of any issue of fact or law, and without admitting any violation of law, our affiliate, 360 Tour Designs & Marketing, LLC, voluntarily entered into a Consent Order with the Securities Administrator of Washington (the "Administrator") to settle the Administrator's claims that our affiliate violated the Washington Investment Act by engaging in the sale of franchises at a time when a Disclosure Document was not effectively registered in the State. Under the Consent Order, our affiliate agreed to comply with the Washington Investment Act and to pay the State's investigative costs.

*In the Matter of 360 Tour Designs & Marketing, LLC, Case No. SEC-2019-00043* (Commonwealth of Virginia, State Corporation Commission). On November 7, 2019, without trial or final adjudication of any issue of fact or law, and without admitting any violation of law, our affiliate, 360 Tour Designs & Marketing, LLC, voluntarily entered into a Settlement Order with the State Corporation Commission of Virginia (the "Commission") to settle Commission's claims that our affiliate violated the Virginia Retail Franchising Act by engaging in the sale of franchises at a time when a Disclosure Document was not effectively registered in the State. Under the Settlement Order, our affiliate agreed to (1) comply with the Virginia Retail Franchising Act and (2) to offer rescission of their agreements to a franchisee, who is a resident of Virginia, and (3) to pay monetary relief to Virginia in the amount of \$5,000 and \$1,000 in investigative costs.

Other than the above matter, no litigation is required to be disclosed in this Item.

**ITEM 4: BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

**ITEM 5: INITIAL FEES****Initial Franchise Fee:**

We will charge you an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee is \$34,500.00 for a population of up to 500,000. This payment is fully earned by

us and due in lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

We also offer qualified franchisees who have been in operation for at least one year the option to purchase an additional franchise for \$25,875.00 under a separate franchise agreement.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you.

We currently offer a discounted Initial Franchise Fee of \$29,325.00 to first responders and veterans of the U.S. armed forces who have been honorably discharged from the military and who otherwise meet our requirements.

#### **Initial Marketing Materials:**

You must purchase your initial marketing materials from us. The cost is \$2,750 and must be paid at the time you sign the Franchise Agreement and is not refundable. Your initial marketing materials include signs, flyers, polo shirt(s), table banner, business cards, and other printed logo material.

#### **Initial Social Media Management:**

You must pay us an Initial Social Media Management Fee. The cost is \$500 per month for 3 months totaling \$1,500 and must be paid at the time you sign the Franchise Agreement. The initial social media management fee includes creation of your social media accounts for the Franchised Business and providing content for the first three months following the opening of your Franchised Business.

#### **Photography Equipment:**

You must purchase your Photography Equipment package from us. The cost is \$22,500 and must be paid at the time you sign the Franchise Agreement and is not refundable. The initial equipment package includes a camera, a lens, tripods, 2 Drones, 2 3D imaging cameras, Thermal imaging camera, Drone thermal imaging, Laptop, Gimbal, camera card, card reader, spare batteries, camera bag, lens filter, lens hood, lens cloth, bubble level and laser measuring tool.

#### **Development Fee:**

If you enter in a Area Development Agreement, You are required to pay a one-time non-refundable Development fee when you sign the Area Development Agreement, in the amount of \$69,000 to us. The Area Development Fee includes a full initial franchise fee of \$34,500.00 for the first 360 Tour Designs Franchised Business, a partial payment of \$17,250.00 for the second 360 Tour Designs Franchised Business and a partial payment of \$17,250.00 for the third 360 Tour Designs Franchised Business, which will be credited towards the initial franchise fees payable upon execution of the second and third 360 Tour Designs Franchised Businesses. Should the development obligation exceed 3 or more 360 Tour Designs Franchised Businesses, the Area Development Fee shall be increased by \$17,250.00, which increase shall be credited towards the initial franchise fee of \$34,500.00 for each such additional 360 Tour Designs Franchised Business.

Under an Area Development Agreement, you must develop a minimum of three (3) 360 Tour Designs Franchised Businesses. There is no maximum number of additional 360 Tour Designs Franchised Businesses that you may develop under an Area Development Agreement. The total Development Fee is

based on the number of additional franchises you purchase. The Area Development Fee is uniformly charged for all Area Development Agreements currently being offered. The Development Fee is considered fully earned and non-refundable upon payment.

**ITEM 6: OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	8% of Gross Revenue, depending on the amount of Gross Revenue.	The last day of each calendar month	Payable to us. See footnotes 1 and 2.
Required Minimum Expenditure for Local Marketing and Advertising	At least \$50 per month on local advertising and marketing.	As incurred.	Payable to third-party suppliers. All advertising must be approved by us. See Item 11. See footnote 3.
Brand Development Fund Contribution	\$100 per month, subject to annual increases of 10% on a cumulative basis.	The last day of each calendar month.	Payable directly to the Brand Development Fund. See footnote 4.
Advertising Cooperative	Currently \$0. Fees for the cooperative will not exceed one-half of the Local Advertising requirement or your pro-rata share of actual cooperative advertising costs, whichever is greater.	As determined by cooperative.	No cooperatives have been established as of the date of this Disclosure Document. You are required to join an advertising cooperative if one is formed. Cooperatives will be comprised of all franchised 360 Tour Designs outlets in a designated geographic area, or we may establish a national cooperative comprised of all franchised 360 Tour Designs outlets. Our affiliate-owned outlets may participate in an advertising cooperative, in our sole discretion.
Continuing Social Media Management Fee	Our then-current fee, which is currently \$350 per month.	Monthly, as incurred.	Payable to us. At your option, we may impose this fee for the maintenance of your social media accounts.
Proprietary Software Fee	\$3 to \$8 per job	As incurred.	Payable to us. See footnote 5
Monthly Social Media Fee	\$75 per month	Monthly	Payable to us. We will craft and provide content to your

Type of Fee	Amount	Due Date	Remarks
			social media accounts for your 360 Tour Designs outlet
Call Center	Currently \$0	As determined by call center service provider and/or us.	No call center service has been established as of the date of this Disclosure Document. We reserve the right to establish a regional or national call center. In the event that a call center is established, you are required to pay to the call center or to us fees for all calls for services directed to you in accordance with such call center's then-current fee schedule.
Late Fee	\$125	As incurred	If you fail to pay us the Royalty Fee, Brand Development Fund Fee, or if you fail to submit your Gross Revenue report when due, we may charge you \$75 for each late submission in addition to interest charges explained below.
Interest Charge	18% per annum from due date or maximum allowed by law, whichever is lower	As incurred	If you fail to pay us any amount when due, we may charge you interest on the unpaid balance until the payment is received.
Non-sufficient Funds Fee	\$100	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for insufficient funds, for each occurrence we may charge you a Non-sufficient Funds Fee.
Successor Agreement Fee	\$2,500	Before signing successor agreement	Payable to us. See Item 17.
Transfer Fee	75% of the then-current initial franchise fee. For transfer to: (i) an existing franchisee in good standing, the transfer fee is 50% of the then-current	Upon approval of the transfer	Payable to us. See Item 17

Type of Fee	Amount	Due Date	Remarks
	initial franchise fee, (ii) owner(s) of the franchisee entity that does not change management control, the transfer fee is \$1,500 and (iii) a spouse, parent or child upon death or permanent disability, the transfer fee is \$3,500.		
Interim Management Fee	Our then-current fee, which is currently \$300 per day, during the term of interim management, plus all travel related and other expenses.	As incurred.	We may impose this fee (in addition to all regularly occurring fees such as the Royalty Fee and Brand Development Fund Contributions), payable to us, if we provide interim management of your Franchised Business due to lack of manager, default, death or disability.
Initial Training	No charge for initial training of up to two (2) people. The fee for additional trainees, who attend the same training session as you, is \$1,000 per person. You pay all travel and other related expenses incurred by all trainees.	Travel and related expenses are due as incurred.	Initial training takes place in Camp Hill, Pennsylvania. You must pay the incidental costs of attendance, which include but are not limited to, airfare, transportation, and food costs. Incidental costs are payable to third-party suppliers. In our discretion, we will arrange and pay for your lodging during training. Fees for additional trainees are payable to us.
Additional Training	A reasonable fee for all System training programs. You pay all travel and other related expenses incurred by you and your personnel to attend training.	As incurred.	See footnote 6.

Type of Fee	Amount	Due Date	Remarks
Remedial Training Fee	Our then-current trainer per diem rate plus expenses. Our current per diem rate is \$300 per day, plus travel and other expenses.	As incurred.	We may impose this fee, payable to us, if you request additional training in your territory from time-to-time, or if you are operating below our standards and we require you to have additional training. You must also pay all costs of our trainer, which include but are not limited to, airfare, transportation, hotel and meals.
Examination of Books and Records	Cost of examination plus related expenses.	As incurred.	We have the right under the Franchise Agreement to examine your books, records and tax returns. If an examination reveals that you have understated any Gross Revenue report, you must pay to us the cost of the audit and all travel and related expenses, in addition to repaying monies owed and interest on the monies owed.
Evaluation Fee	\$100	As incurred.	Payable to us. See footnote 7.
Inspection Reimbursement	Actual Cost	As incurred.	You must reimburse us for our inspection costs if our inspection finds that you are using a product or service that does not conform to our system standards.
Customer Dispute Resolution Fee	Amount we refund to a customer on your behalf.	As incurred	You must pay us this fee if we refund any amounts to your customer.
Confidential Operating Manual Replacement Fee	\$100, or our then-current fee	As incurred	Paid to us
Quality Review Services	Varies	As incurred	Payable to third-party providers. See footnote 8.

Type of Fee	Amount	Due Date	Remarks
Indemnification	Amount of loss or damages plus costs	As incurred.	See footnote 9.
Damages, Costs and Expenses for Non-compliance	Actual damages, costs and expenses	As incurred.	See footnote 10.
Insurance Reimbursement	Amount paid by us for your insurance obligations, plus a ten percent (10%) administrative fee and other actual expenses	As incurred	You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.
Taxes	Amount of taxes	When incurred.	You must reimburse us for any taxes that we must pay to any taxing authority on account of either the operation of your Franchised Business or payments that you make to us, including, but not limited to any sales taxes or income taxes imposed by any authority.

All fees and expenses described in this Item 6 are nonrefundable and are uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

<sup>1</sup> "Gross Revenue" includes all revenues and income from any source derived, invoiced or received, by you from, through, by or on account of the operation of the Franchised Business whether invoiced only or received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. It does not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, or (iii) properly documented promotional discounts (i.e. vouchers). Royalties will be drawn automatically via electronic fund transfer on the first of every month for last invoice. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds. If you do not report revenues for the month, then we will collect 120% of the last Continuing Royalty Fee collected and reconcile amounts when you next report revenue.

<sup>2</sup> "Gross Revenues" are defined to include all income of any type or nature and from any source that you derive or receive directly or indirectly from, through, by or on account of the operation of the Business at any time after the signing of your Franchise Agreement, in whatever form and from whatever source, including but not limited to cash, services, in kind from barter and/or exchange, on credit or otherwise as well as Business interruption insurance proceeds, all without deduction for expenses including marketing expenses and taxes. However, the definition of Gross Revenues does not include sales tax that is collected from customers and actually transmitted to the appropriate taxing authorities

<sup>3</sup> Upon our request, you must furnish us with a quarterly report and documentation of local advertising expenditures during the previous calendar quarter.

<sup>4</sup> We may increase the Brand Development Fund annually by ten percent (10%) on a cumulative basis.

<sup>5</sup> You are required to pay regular fees for access, support and updates to our approved software and internal systems. These fees are subject to change by the software providers. We have the right to substitute or add different approved technologies, which you must use. This fee will also be used for new or improved technology for the benefit of the System and the Franchised Business, including but not limited to, assigned phone numbers and email addresses, a franchise portal, benchmarking platform or other operations or communications systems

<sup>6</sup> We may offer mandatory and/or optional additional training programs from time to time. If we require it, you must participate in additional training, including attendance at a national business meeting or annual convention, for up to five (5) days per year, at a location we designate. We reserve the right to impose a reasonable fee for all additional training programs, including the national business meeting or annual convention. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages.

<sup>7</sup> If you wish to purchase, lease or use any, equipment, supplies, services or other items unapproved or from an unapproved supplier, you must request our prior written approval. As a condition to our approval, we may require inspection of the proposed supplier's facilities and evaluation and testing of the proposed item or service.

<sup>8</sup> We may establish quality assurance programs conducted by third-party providers, such as, by way of example only, customer satisfaction surveys and periodic quality audits, to monitor the operations of your Franchised Business. If we require it, you must subscribe and pay the fees for any such program.

<sup>9</sup> You must indemnify and hold us, our parent and affiliates, and all of our respective officers, directors, agents and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

<sup>10</sup> If you breach the Franchise Agreement, you must reimburse us any costs we incur to cure your default. You must also pay us all damages, costs and expenses, including reasonable attorneys' fees, we incur in obtaining any remedy, injunctive or other relief to enforce the provisions of the Franchise Agreement.

-REMAINDER OF PAGE INTENTIONALLY LEFT BLANK-

**ITEM 7: ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee <sup>1</sup>	\$34,500	Lump sum payment in cash or available funds	Upon signing the Franchise Agreement.	Us
Initial Training Travel Expenses <sup>2</sup>	\$500 - \$1,500	As required for materials, transportation, lodging & meals	As required by suppliers of transportation, lodging & meals.	Suppliers of books and reference materials, transportation, lodging & meals.
Initial Marketing Materials	\$2,750	As incurred	Before opening	Us
Initial Social Media Management Fee <sup>3</sup>	\$1,500	As incurred	Before opening	Us
Photography Equipment	\$22,500	As incurred	Before Opening	Us
Office Furniture, Fixtures, Equipment and Supplies <sup>4</sup>	\$0 - \$900	As required by supplier	Before opening	Suppliers
Licenses and Permits <sup>5</sup>	\$200 - \$500	As required by government agencies	Before opening, as required by government agencies	Government Agencies
Vehicle <sup>6</sup>	\$0 – \$1,000	As required by vendor, lessor or lender	Before opening	Vendor, Lessor or Lender
Membership/ Association Dues <sup>7</sup>	\$250 - \$1,000	As required by trade organization	Before opening	Trade organization
Professional Fees <sup>8</sup>	\$1,500 - \$3,000	As required by providers	As incurred	Attorney, Accountant, Other Professional Service Providers
Insurance <sup>9</sup>	\$375 - \$1,250	As required by insurer	Before opening	Insurer

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Operating Expenses / Additional Funds – 3 months <sup>10</sup>	\$2,000 - \$7,000	As incurred	In according with agreed-upon terms	Employees, suppliers, etc.
<b>TOTAL</b>	<b>\$66,075 - \$77,400</b>			

<b>YOUR ESTIMATED INITIAL INVESTMENT</b> <b>(Area Development Agreement – for 3 or more outlets only)</b>				
Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Development Fee	\$69,000.00	Lump sum payment in cash or available funds	Upon signing the Area Development Agreement	Us
Cost of first Franchised Business	\$31,575 - \$42,900	As Agreed	As Incurred	Landlord or Vendors
<b>TOTAL</b>	<b>\$100,575 - \$111,900</b>			

Except as otherwise described in the notes below, the above table provides an estimate of your initial investment and the costs necessary to begin operating an 360 Tour Designs franchise. Actual costs will vary for each franchise PREMISES depending on a number of factors including market condition and the geographic location of your PREMISES. All fees and payments made to the Franchisor are non-refundable, unless otherwise stated. Fees paid to vendors, landlords, and other service providers may not be refunded unless your refund is negotiated with these providers.

**Footnotes:**

<sup>1</sup> Please see Item 5 for information on incentive programs that may offer a discount on the Initial Franchise Fee.

<sup>2</sup> The cost of the Initial Management Training Program for two people is included in the Initial Franchise Fee. Prior to attending the Program, you must purchase certain books and course materials and complete pre-course applications. The chart estimates the costs for books and course materials, and transportation, and meals for your trainee(s). These incidental costs are not included in the Initial Franchise Fee. We will cover the costs of lodging and some meals on training days. Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living

expenses. The duration of the training program is up to three (3) days. This estimate does not include employee wages.

<sup>3</sup> All social media accounts are the property of us. we set up and assign you login information.

<sup>4</sup> You are permitted to operate from an office in your home. Your home office will require a desk, chair, filing and storage cabinetry and sufficient lighting. You may already have necessary furniture and fixtures, or you may need to purchase items. The cost of furniture and fixtures will vary depending on your suppliers and design preferences. You will need miscellaneous office supplies and consumables.

We require you to purchase computer systems and software meeting our minimum specifications for use in your Franchised Business. The estimate in the chart above estimate includes the cost of a laptop, an iPad, and purchase, installation and access to the software we require. You must also have Internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of reports and revenue and customer information. We reserve the right to change your requirements for computer hardware and software at any time.

<sup>5</sup> You are responsible for applying for, obtaining and maintaining all required permits and licenses necessary to operate your Franchised Business. This estimate includes the cost of local business licenses that typically remain in effect for 1 year. This estimate further includes the initial cost of licenses, certifications and/or permits that may be required by you or your employees to provide services offered by the Franchise. The costs of permits and licenses will vary by location.

<sup>6</sup> You must use a vehicle of the make, model and age we require, for travel to your clients' properties. Your vehicle must be no more than 10 years old and in good condition, free of noticeable dents or damage. You may use a vehicle you currently own, if we determine, in our sole discretion, that it meets our specifications and we give our consent. If you must purchase or lease a vehicle, we list current acceptable manufacturer/models in our operations manual. The high end of the above estimate represents three (3) months of car payments, assuming a purchase price of \$20,000, plus taxes, fees and registration. You must maintain your vehicle in good working order, cleanliness and appearance and promptly repair any visible exterior damage, including but not limited to, dents and scratches.

<sup>7</sup> You are required to maintain a membership with real estate boards/associations within the Territory of the Franchised Business.

<sup>8</sup> You may incur professional fees depending on the scope of work performed, which may include, legal and accounting fees to review franchise documents and costs of forming a separate legal entity. This list is not exhaustive. This amount will vary greatly depending on your specific needs and location. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document and the Franchise Agreement. It is also advisable to consult these professionals to review any other contracts that you will enter into as part of starting your Franchised Business.

<sup>9</sup> Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. Insurance costs and requirements may vary widely in different localities. The estimate is for the first three (3) months of liability insurance coverage. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

<sup>10</sup> This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three (3) months after commencing operations. This estimate includes

the costs you can reasonably expect to incur during this period, including initial payroll, taxes, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, and additional marketing costs.

We relied upon the experience of our affiliate-owned 360 Tour Designs real estate and property imaging outlet to compile these estimates. We estimate that a franchisee can expect to put additional cash into the business during at least the first three to six months, and sometimes longer.

We do not offer direct or indirect financing to franchisees for any other items included in this section.

All fees and payments are non-refundable, unless otherwise stated or permitted by payee.

**ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

We have identified various suppliers, distributors and manufacturers of equipment, inventory, supplies and services that your Franchised Business must use or provide which meet our standards and requirements. You must purchase all equipment, inventory, supplies and services from our designated suppliers and contractors or in accordance with our specifications. We maintain written lists of approved items of equipment, inventory, supplies and services (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items. We will update these lists periodically and issue the updated lists to all franchisees.

In addition to approved and/or designated vendors, we and our affiliates are approved suppliers of certain (i) equipment and (ii) marketing and promotion materials and services.

You must purchase your initial equipment package from us. We are the only approved supplier of these items.

You must purchase your initial marketing material and any additional branding and marketing materials from us. You must also purchase your marketing listings from us through our proprietary software. We are the only approved supplier of these items.

You must purchase all print and graphic products from us. We are the only approved supplier of these items.

You must purchase software through us. We will receive revenues from your purchase.

None of our officers owns an interest in any other supplier.

Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. The minimum insurance required is comprehensive general liability insurance, including coverage for errors and omissions and personal and advertising injury, in the amount of at one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate; property and casualty insurance in an amount of fifty thousand dollars (\$50,000) or such higher amount to cover the full replacement value of your equipment, furniture, fixtures, vehicles and inventory; business interruption insurance in an amount no less than the greater of (i) One Hundred Thousand Dollars (\$100,000.00) or (ii) an amount necessary to satisfy your obligations under the franchise agreement for a minimum period of six (6) months; automobile insurance in the amount of at least a combined single limit for bodily and property damage of at least a five hundred thousand dollars (\$500,000), or greater if required by state law; and employment insurance, including third-party coverage of at least ten thousand dollars (\$10,000) or greater if required by state law for worker's compensation coverage, and employee practices/ abuse and

dishonesty; electronic equipment and data damage or loss of at least Ten Thousand Dollars (\$10,000); and identify theft coverage of at least Two Thousand Five Hundred Dollars (\$2,500) each for loss and for expenses. Each policy must be written by a responsible carrier or carriers acceptable to us and must name us, and our respective officers, directors, partners, agents and employees as additional insured parties, and contain a waiver of the insurance company's rights of subrogation against us.

We approve suppliers after careful review of the quality of the products and services they provide to us and our franchisees. If you would like us to consider another item or supplier, you must make such request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. If the item and/or supplier meets our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. We will notify you whether we approve or disapprove of the proposed item or supplier within 30 days after we receive all required information to evaluate the product or service. We reserve the right to revoke approval of any item or supplier that does not continue to meet our then-current standards. Our criteria for approving items and suppliers are not available to you. If you request that we approve a proposed item or supplier, we may charge you an evaluation fee of \$100.

We will derive revenue from your purchase of initial equipment, marketing materials and listings. In the fiscal year ending December 31, 2024, we did not receive any revenue from required purchases by franchisees.

We currently do not receive any other revenue, rebates, discounts or other material consideration from any suppliers based on your required purchases of products, supplies or equipment; however, we may do so in the future, and any rebates or discounts we receive may be kept by us in our sole discretion.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately between 38% and 47% of your costs to establish your Franchised Business and approximately 27% of your costs for ongoing operation.

Currently, there are no purchasing or distribution cooperatives. However, we can require that you make your purchases through a cooperative if one is formed.

Although we do not do so currently, we may in the future negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees.

We provide no material benefits (such as the grant of additional franchises) based on your use of designated sources; however, failure to use approved items or designated suppliers and contractors may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, we reserve the right, in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold furnishing products and services to you.

-REMAINDER OF PAGE INTENTIONALLY LEFT BLANK-

**ITEM 9: FRANCHISEE'S OBLIGATIONS**

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

Obligation	Section or Article in Franchise Agreement	Section or Article in Area Development Agreement	Item in Franchise Disclosure Document
a. Site Selection and Acquisition/Lease	8.1	Not Applicable	11, 12
b. Pre-Opening Purchase/Leases	8.2, 12.3.1	Not Applicable	7, 11
c. Site Development & other Pre-Opening Requirements	8.1, 8.2, 12.1.1	Not Applicable	11
d. Initial and Ongoing Training	Article 7	Not Applicable	11
e. Opening	8.2	Not Applicable	11
f. Fees	5.2.5, Article 6, 7.4, 7.5, 12.3.7, 12.8, 12.9, 13.2, 13.3.1, 15.6, 16.4, 18.1.4, 18.1.5, 19.1.5 20.8	Not Applicable	5, 6, 7
g. Compliance with Standards and Policies/Operating Manual	Article 9, 11.4, Article 12, 19.1.1	Not Applicable	8, 11
h. Trademarks and Proprietary Information	9.3, Article 14, 19.2, 19.3, 19.4	Not Applicable	13, 14
i. Restrictions on Products/Services Offered	12.8	Not Applicable	8
j. Warranty and Customer Service Requirements	12.6	Not Applicable	Not Applicable
k. Territorial Development and Sales Quotas	13.2	5	12
l. Ongoing Product/Service Purchases	Not Applicable	Not Applicable	8

Obligation	Section or Article in Franchise Agreement	Section or Article in Area Development Agreement	Item in Franchise Disclosure Document
m. Maintenance, Appearance and Remodeling Requirements	Article 9, 12.1.7, 12.1.9	Not Applicable	Item 11
n. Insurance	Article 15	Not Applicable	7
o. Advertising	12.1.8, Article 13	Not Applicable	6, 11
p. Indemnification	12.4, 12.5, 15.6, 16.3.6, 21.1	Not Applicable	14
q. Owner's Participation, Management, Staffing	11.1, 11.3, 12.1.3, 12.1.4	Not Applicable	11, 15
r. Records/Reports	12.2	Not Applicable	6
s. Inspections and Audits	12.1.5, 12.2.4, 12.9	Not Applicable	6, 11
t. Transfer	Article 16	6	17
u. Renewal	Article 5	Not Applicable	17
v. Post-Termination Obligations	Article 18	Not Applicable	17
w. Non-Competition Covenants	19.5	8	17
x. Dispute Resolution	Article 20	10	17
y. Guaranty (Spouse)	11.3, Attachment 7	Not Applicable	15

## **ITEM 10: FINANCING**

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

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

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

### **1. Pre-Opening Obligations**

Before you open your Franchised Business, we will:

- designate the boundaries of your territory (Franchise Agreement, Section 8.1).

- b. provide the 360 Tour Designs Operations Manual and other manuals and training aids we designate for use in the operation of your 360 Tour Designs, as they may be revised from time to time (Franchise Agreement, Section 10.2).
- c. provide a written list of equipment, signage, supplies and products that will be required to open the Franchised Business. (Franchise Agreement, Section 10.3).
- d. provide you with an initial equipment package (Franchise Agreement, Section 6.1.2).
- e. provide you with initial marketing material (Franchise Agreement, Section 6.1.3).
- f. provide you with initial training at our headquarters in Camp Hill, Pennsylvania. We will determine, in our sole discretion, whether you satisfactorily complete the initial training (Franchise Agreement, Section 7.1).
- g. provide you with samples or digital artwork of advertising and promotional materials for your initial marketing activities (Franchise Agreement, Section 10.4).

## **2. Time to Open**

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Franchised Business is sixty (60) days. Before you may open, you must (i) complete our Initial Management Training Program, (ii) hire and train your staff, if required, (iii) acquire all equipment, computer systems, software, applications and vehicle we require, (iv) obtain required licenses to operate the Franchised Business, and (v) join a real estate board or association in your territory. Factors that may affect this time period include your ability to acquire license and permits and completion of required training. If you have not opened your Franchised Business within sixty (60) days after you sign the Franchise Agreement, you must obtain our consent to extend the time to open, which we may or may not grant, at our discretion. Failure to open your Franchised Business within the original time as extended, is a default of the Franchise Agreement. (Franchise Agreement, Sections 8.2).

## **3. Obligations After Opening**

During the operation of your franchise, we will:

- a. offer from time to time, in our discretion, mandatory or optional additional training programs. If we require it, you must attend mandatory additional training and/or attend an annual business meeting or franchisee conference for up to five (5) days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. (Franchise Agreement, Section 7.3).
- b. upon your request, or as we determine to be appropriate, provide remedial in-territory training and assistance. For any in-territory training, you must reimburse all costs for the services of our trainer,

including but not limited to the trainer's then-current per diem fee and all travel-related expenses, such as transportation, meals and lodging (Franchise Agreement, Section 7.4).

- c. upon your request, provide individualized assistance to you within reasonable limits by telephone, video conference, electronic mail or postage service, subject at all times to availability of our personnel and in reasonable limits (Franchise Agreement, Section 7.5).
- d. from time to time, as may become available, provide you with samples or digital artwork of advertising and promotional materials (Franchise Agreement, Section 10.4).
- e. maintain the 360 Tour Designs website with a link to your Franchised Business contact information and completed work. (Franchise Agreement, Section 12.3.6).
- f. provide you with any written specifications for required equipment, products and services and provide you with updated lists of any approved suppliers of these items (Franchise Agreement, Section 10.5).
- g. subject to applicable law, recommend minimum and maximum prices for the services and products offered by your Franchised Business. You may provide your Franchised Business services and products at any price that you determine within our parameters. Our suggested prices are not a representation, warranty or guarantee that such prices will enhance your sales or profit (Franchise Agreement, Section 12.7).
- h. approve or disapprove of all advertising, direct mail, and other promotional material and campaigns you propose in writing to us. We will respond within ten (10) business days, either accepting or rejecting the proposed material and/or campaign; however, if we do not respond within ten (10) business days, the proposed material and/or campaign is deemed "disapproved". (Franchise Agreement, Section 13.6); and
- i. approve your office location, if you choose to relocate to commercial premises, which approval is in our sole discretion (Franchise Agreement, Section 10.1).

#### **4. Advertising**

##### **Local Advertising (Franchise Agreement, Sections 13.2, 13.5 and 13.6)**

We require you to conduct an initial marketing campaign during the sixty (60) days following the opening of your Franchised Business. Your initial campaign will include (i) sponsoring an event for the realtor board or association in which you are a member, (ii) making cold calls upon potential referral sources, (iii) establishing a social media presence in accordance with our standards, and (iv) adding your work product to a designated webpage. You are required to purchase a start-up package of marketing material from us. Thereafter, you are required to spend a minimum of \$50 per month on local advertising and marketing. We may increase your minimum local advertising expenditure, in our reasonable discretion. Upon our request, you must furnish us with a quarterly report and documentation of local advertising expenditures during the previous calendar quarter. We reserve the right to collect some or all of your grand opening funds and/or your Local Advertising expenditure and implement grand opening campaign activities and/or Local Advertising on your behalf.

You may develop advertising materials for your own use at your own cost, and you may use marketing materials that we may offer to you from time to time. You may not use any advertising or marketing

materials, including press releases, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We will respond to your request for approval within ten (10) business days; however, if we do not respond within ten (10) business days, the proposed advertising or marketing material is deemed “disapproved”.

We require you to pay an initial social media management fee of \$1,500 upon signing the Franchise Agreement for us to create, maintain, and provide content for your social media accounts for the first three months after opening your Franchised Business. Commencing month 4 and for the remainder of your term, you shall maintain your social media accounts, which includes (i) completion of our social media training course, at your expense, prior to month 4, and (ii) daily postings on social media accounts, in accordance with our specifications. The current requirement is: (i) you must complete our social media training course before the 90<sup>th</sup> day after the opening of your Franchised Business, (ii) you must post a minimum of once per day on Facebook, Instagram, and other social media platforms as we may designate. You will be required to pay a Social media fee to us monthly in which we will create weekly “evergreen” posts for you to use on your social media account. This service is to ensure uniformity in all platforms for 360 Tour Designs Franchisees. The current monthly Social Media Fee is equal to \$75 per month but is subject to increase. At your option, you may also choose to pay us our then-current continuing social media management fee for us to maintain your social media accounts. The current social media management fee is \$350 per month.

We do not provide for placement of local advertising on your behalf, and we have no obligation to spend any amount on advertising in your area or territory. You are responsible for local advertising placement. You must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, you may do cooperative advertising with other 360 Tour Designs franchisees in your area, with our prior written approval. You may not maintain any business profile on Facebook, Twitter, LinkedIn, YouTube or any other social media and/or networking site without our prior written approval.

#### **System-wide Brand Development Fund (Franchise Agreement, Section 13.3)**

You are required to contribute to the Brand Development Fund One Hundred Dollars (\$100) per month, which may be increased by up to ten percent (10%) annually, in our reasonable discretion. Each 360 Tour Designs outlet operated by our affiliate or us will contribute to the Brand Development Fund on the same basis as System franchisees.

The Brand Development Fund is administered by our accounting and marketing personnel. We may use Brand Development Fund contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs. We may also use Brand Development Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Brand Development Fund contributions to pay our costs (including personnel and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Brand Development Fund.

The Brand Development Fund will not be used to defray any of our other general operating expenses.

The Brand Development Fund collects and expends the Brand Development Fund contributions for the benefit of the System as a whole. We reserve the right to use the Brand Development Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in our discretion, including but not limited to, Internet

and direct-mail campaigns. We have no obligation, however, to place advertising or conduct marketing campaigns in any particular area, including the Territory where your Franchised Business is located.

The Brand Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.

We have no obligation to make expenditures that are equivalent or proportionate to your Brand Development Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the Brand Development Fund.

The Brand Development Fund is not audited. An annual unaudited financial statement of the Brand Development Fund is available to any franchisee upon written request.

If we spend more or less than the total of all contributions to the Brand Development Fund in any fiscal year, we may carry forward any surplus or deficit to the next fiscal year.

In our most recently concluded fiscal year, which ended on December 31, 2024, we received contributions in the amount of \$4,500. Of this \$4,500 amount, 100% of the funds were rolled into the 2025 Brand Fund Contribution. Although the Brand Development Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Brand Development Fund, however, until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

Brand Development Fund contributions will not be used to solicit new franchise sales; provided however, we reserve the right to include "Franchises Available" or similar language and contact information in advertising produced with Brand Development Fund contributions.

#### **Regional Advertising (Franchise Agreement, Section 13.4)**

Currently, our System has no regional advertising fund or cooperative. However, we may decide to establish a regional fund or cooperative in the future and your participation may be mandatory, in our sole discretion. A regional cooperative will be comprised of all franchised 360 Tour Designs outlets in a designated geographic area. Our affiliate-owned outlets may participate in a regional cooperative, in our sole discretion. Each 360 Tour Designs outlet will have one vote in the cooperative. We will determine in advance how each cooperative will be organized and governed. We have the right to form, dissolve, merge or change the structure of the cooperatives. If a cooperative is established during the term of your Franchise Agreement, you must sign all documents we request and become a member of the cooperative according to the terms of the documents. Currently, there are no governing documents available for your review.

If we establish a regional advertising fund or cooperative, you must contribute amounts we require. Your contributions to a regional advertising fund or cooperative will be in addition to your required contributions to the Brand Fund; however, contributions made by you to a regional advertising fund or cooperative will be credited against up to one-half of your required expenditures for local advertising. Fees for the cooperative will not exceed one-half of the Local Advertising requirement or your pro-rata share of actual cooperative advertising costs, whichever is greater.

#### **Advertising Council (Franchise Agreement, Section 9.5)**

We do not have an advertising council composed of franchisees that advises us on advertising policies. The Franchise Agreement gives us the right, in our discretion, to create a franchisee advisory council to communicate ideas, including proposed advertising policies. If created, we will determine in advance how franchisees are selected to the council, which may include factors such as a franchisee's level of success, superior performance and profitability. We reserve the right to change or dissolve the council at any time.

## **5. Computer Systems (Franchise Agreement, Section 12.3)**

You are required to have an internet-capable laptop computer and an iPad that can operate the latest versions of software and computer platforms we require. You will also need a multi-color, laser printer/scanner/fax. You are required to use Microsoft 365 Business for your general office tasks, QuickBooks online for bookkeeping, report generation and billing, and the real estate and property imagery software that we require. Google software is used for scheduling, customer communication, and data collection. For field work, we require use of an iPad with 256 GB of storage that works in conjunction with 3D imaging and aerials equipment. We require use of the SNS HDR application, which currently is a one-time fee of \$100, and an Adobe Creative Cloud subscription. We also require the use of our proprietary software, which contains marketing listings for purchase and a delivery system. You must purchase the required computer hardware and software, at your expense. The cost for the required computer hardware and software is included in the estimated initial fee for Office Furniture, Fixtures, Equipment and Supplies. The software comes with an ongoing fee of \$3 to \$8 that is paid per job.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems. We may in the future modify or establish other service performance or revenue reporting systems, as we deem appropriate, for the accurate and expeditious reporting of Gross Revenue and delivery of our products and services. You must fully cooperate in implementing any such modifications at your expense.

We have no obligation to maintain, repair, update or upgrade your computer hardware and software. At your cost, you must provide on-going maintenance and repairs to your computer hardware and software. You must upgrade your computer hardware and software as necessary to operate the most current version of our System requirements. We cannot estimate the cost of maintaining, updating and upgrading your computer hardware and software because it will depend on the make and model of your computer, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

We reserve the right to have remote and independent access to all information generated by and stored in your computer system, including your revenue information and customer data. There are no contractual limitations on our right to have full access to this information. At our option, we may retrieve, download, analyze and store such information and data at any time. Upon our request, you must sign any documents we require to allow us to independently and electronically access and retrieve the information stored in your computer system. We own all client data stored in your computer system.

## **6. Table of Contents of Operations Manual**

The Table of Contents of our Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit E. The Operations Manual has a total of 139 pages.

## **7. Training (Franchise Agreement, Article 7)**

You (if the franchisee is an individual) or all of your owners (if the franchisee is a business entity) and your general manager must complete our three (3) - day Initial Management Training Program, to our satisfaction, before opening your Franchised Business. We will train you at our headquarters in Mechanicsburg, Pennsylvania.

### TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Real Estate Photography 101	0	3	Mechanicsburg, PA
Editing 101	1.5	0	Mechanicsburg, PA
3D Imagery I	1	1.5	Mechanicsburg, PA
3D Imagery II	1	0	Your Territory
Marketing Kit	1	0	Mechanicsburg, PA
Scheduling	.5	0	Mechanicsburg, PA
Photo Sharing	.5	0	Mechanicsburg, PA
Invoicing	.5	0	Mechanicsburg, PA
Competition	.5	0	Mechanicsburg, PA
Sales	.5	0	Mechanicsburg, PA
Marketing	.5	0	Mechanicsburg, PA
Website	.5	0	Mechanicsburg, PA
Social Media	.5	0	Mechanicsburg, PA
60-Day Business Plan	.5	0	Mechanicsburg, PA
How to Set Pricing	.5	0	Mechanicsburg, PA
Aerial Photography	.5	0	Mechanicsburg, PA
Customer Service	.5	0	Mechanicsburg, PA
FAA Safety School	.5	0	Mechanicsburg, PA
Basic Drone Flight	0	.5	Mechanicsburg, PA
Videography	.5	.5	Mechanicsburg, PA
<b>TOTAL</b>	<b>12.5</b>	<b>5.5</b>	

We periodically conduct our Initial Management Training Program throughout the year, as needed.

Our Founder, Keith Bolash and CEO Greg Drake, oversee the training program. A former Real Estate Appraiser, Keith Bolash has been in real estate and property photography since 2009 as founder of the 360 Tour Designs brand. Keith provides training on sales and pricing. Greg attended Penn State University, has worked exclusively with the 360 Tour Designs brand since 2015. Previously he was the vice president of Operations for a 25 location restaurant chain. He has 35 years of experience with business, customer service, and health & safety management. Greg provides training on Business startup, as well as safety and customer service.

Training will also be conducted by Lindsay Quay, Dee Noll, Gary Noll, Tanner Shore and Cybil Escobar

Lindsay, a graduate of Savannah College of Art and Design, Joined 360 Tour Designs in 2014 as a Photographer. She has extensive knowledge of real estate photography and photo editing. Lindsay joined the 360 Tour Designs Headquarters team in 2021 to oversee the editing operation. Lindsay provides photo editing and sharing training.

Dee Joined 360 Tour Designs in 2016 and has over 8 years of experience in business, scheduling, customer service and photo management. Previously she worked in the Finance industry for over 10 years. Dee provides training on our proprietary software system, scheduling, photo sharing and invoicing.

Gary a Business degree Graduate of Penn State University (HBG) is a Franchise owner who loves to teach photography. He became a Franchise owner in 2018. Gary provides training and guidance for Photography and business.

Tanner, a graduate of Oswego State University, has a BA in Cinema and Screen studies. His love and passion for imagery shines through as our head trainer for imagery and client relations. He joined the 360 Tour Designs team in May of 2022

Cybil Joined 360 tour designs in March of 2024. She is an expert in Project management, organization, marketing and social media. Her training responsibilities revolve around Marketing, social media and related technologies

Our training materials consist of videos, reference books, worksheets and forms and/or our Operations Manual. You will receive both classroom instruction and hands-on training. You may not commence operation of the Franchised Business unless and until we determine that you have successfully completed the Initial Management Training Program.

The cost of our instructors, training materials and up to three (3) days on-site training for up to two (2) people is included in the Initial Franchise Fee. You must pay for all of travel and personal expenses, including, but not limited to, all costs for your transportation and most meals for yourself and your personnel. Our current fee to provide initial training to any additional trainees who attend training with you is \$1,000 per person.

If you do not complete our Initial Management Training Program to our satisfaction, we reserve the right to terminate the Franchise Agreement.

We may conduct mandatory or optional additional training programs, including an annual conference or national business meeting. If we require it, you must attend mandatory training programs and an annual conference or national business meeting for up to five (5) days each year, at a location we designate. Failure to attend mandatory training, including an annual conference or business meeting, is a default under the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance

for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs.

#### **ITEM 12: TERRITORY**

Under the Franchise Agreement, you have the right to establish and operate one (1) 360 Tour Designs outlet within a limited protected territory that will be defined after the location of your Franchised Business is identified and approved by us (the "Protected Area"). Your Protected Area is located in all or a portion of a listed town, city, or county, and is identified by a group of contiguous zip codes. The Protected Area is determined on an individual basis taking into account demographics, minimum numbers of households, geographic terrain and market potential. Your Protected Area will have a minimum population of 250,000, based on the most recent census data and determined by a third-party mapping service. Your Protected Area will be defined and attached to your Franchise Agreement as Attachment 3. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. If you do not yet have a location at the signing of the Franchise Agreement, you will receive a non-exclusive site search area list as Attachment 3.

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not open another 360 Tour Designs outlet or grant the right to anyone else to open a 360 Tour Designs outlet within the Protected Area. However, notwithstanding this limited protection right we grant to you, we reserve all rights to sell, either directly or through others, our products and services under the Marks in the Protected Area (i) through alternative distribution channels, as discussed below, (ii) to pre-existing clients, and/or (iii) at the request of a referral source.

You are required to meet the following minimum revenue requirements that are set forth in Attachment 3 of the Franchise Agreement:

Territory Population	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5 (and renewal term)
Up to 500,000	None	\$60,000	\$120,000	\$180,000	\$240,000

If you do not meet these minimum requirements, we have the right to reduce the size of your Territory or terminate your Franchise Agreement. There is no other market penetration or other contingency that will affect your right to operate in your Protected Area during the term of your Franchise Agreement, unless you are in default of your obligations to us.

We may, but have no obligation to, consider granting to you the right to establish additional 360 Tour Designs outlets under other franchise agreements if you are in compliance with the Franchise Agreement, have been in operation for at least one year, and propose to open another 360 Tour Designs Franchise in an area and at a location we approve. Provided you are in compliance with your Franchise Agreement and have been in operation for at least one year, we will permit you to expand your Protected Area by an additional population of 250,000 to your territory for an additional fee of Eight Thousand Five Hundred Dollars (\$8,500.00) or an additional population of 500,000 for Twelve Thousand Five Hundred Dollars (\$12,500.00). The Franchise Agreement grants you no other options, rights of first refusal or similar rights to acquire additional franchises. If you desire additional territory beyond the permitted expansion, you will need to sign a new franchise agreement and purchase additional equipment and supplies, including but not limited to, an additional smoker with trailer.

The Franchise Agreement entitles you to operate from an office in your home. You may not change the location of your Franchised Business office, except in accordance with the requirements of Section 8.3 of the Franchise Agreement. You may only relocate the Franchised Business office with our consent. We consider the general location, neighborhood and demographic characteristics of the area when approving a site. You are required to remove all identifying signs and property from the original office location.

We reserve all rights not expressly granted in the Franchise Agreement. For example, we or our affiliates may own, operate or authorize others to own or operate 360 Tour Designs outlets outside of the Protected Area and may operate other kinds of businesses within the Protected Area. Although we do not currently do so and have no plans to do so, we and our affiliates may own, acquire, conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not offered under the Marks, including a product or service similar to those you will sell at your Franchised Business. We reserve the right to merge with, acquire, or be acquired by, an existing competitive or non-competitive franchise network, chain, or other business; however, we will not convert any acquired business in your Territory to a franchise using our primary trademarks during the Term of your Franchise Agreement.

We also reserve the right to solicit, sell to, negotiated rates with, and service real estate firms that conduct business across multiple areas or have multiple locations either regionally or nationally, such as brokerage firms, builders, property management companies or insurance providers ("Commercial Accounts"). We may offer you the first right to service Commercial Accounts in your Protected Area, provided that you accept the negotiated terms.

We reserve the rights to offer (i) other services and products not offered under the Marks, (ii) other real estate and property imaging concepts or products under the Marks or other trademarks, and (iii) products or services through other channels of distribution in the Protected Area including, but not limited to, co-branding with other real estate businesses, and products offered through retail stores, the Internet or direct marketing ("Alternate Channels of Distribution"). You will receive no compensation for our sales through Alternative Distribution Channels in the Market Area.

You may not use Alternative Distribution Channels to make sales inside or outside your Protected Area; however, we will include a listing on our website of your 360 Tour Designs Franchised Business contact information. You may only solicit sales from customers in your Protected Area. Your local advertising must target customers in your Protected Area, although the reach of your local advertising may extend beyond your Protected Area. You may service a customer located outside of your Protected Area, provided that (i) the customer is (x) a prior client of yours and (y) solicited your service to provide imaging of a property located outside of the Protected Area or (ii) a referral source in your Protected Area requests that you perform imaging services at a property located outside of the Protected Area or (iii) you otherwise obtain our prior approval.

### **Area Development Agreement**

If you sign a Area Development Agreement, your rights to the Development Area will be protected as outlined in the Area Development Agreement. The Development Area Territory is determined as mutually agreed upon by you and us and outlined in the Area Development Agreement when signing the Area Development Agreement.

While the Area Development Agreement is in effect, provided that you open and operate the 360 Tour Designs Franchised Businesses per the Development Schedule and the minimum number of Franchises that you have open and operating in the Development Area at any given time is not less than the minimum

required according to the Development Schedule, we will not operate, or license any person other than you to operate, an 360 Tour Designs Franchised Business under the Marks and the System within the Territory.

We reserve the right to own, acquire, establish and operate, and license others to establish and operate businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, outside the Development Area; acquire a system of Competitive Businesses with units located within your Development Area or outside the Development Area; sell the services and products authorized for 360 Tour Designs Franchised Business using the Marks or other trademarks, service marks and commercial symbols through alternate channels of distribution, venues; site or location models other than the Model Concept of your Franchised Business, including such as a storefront, brick, and mortar, co-branded, pop-up, virtual, or mobile outlets; joint marketing with partner companies; direct mail; catalog sales; internet sites; and co-branding strategies, pursuant to such terms and conditions as Franchisor deems appropriate; advertise, promote, market or sell goods or services using the 360 Tour Designs Marks over the internet, the World Wide Web or any other electronic network; offer and sell the services and products authorized for Franchised Business using the 360 Tour Designs Marks or other trademarks, service marks and commercial symbols to Special Accounts; own, acquire, establish and operate, and license others to establish and operate, businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, in Special Venues.

The typical time between signing the Franchise Agreement, or the first payment of consideration for the Area Development Agreement, and opening the franchised business varies. However, you should be able to commence operation within an additional 1 year for each additional franchise business after signing as required by the Area Development Agreement. Factors affecting this time-period include how long it takes to complete any modifications to your Franchised Business, completion of financing arrangements, compliance with local ordinances, obtaining permits, and obtaining and installing equipment. If you fail to adhere to the Development Schedule, we may terminate the Area Development Agreement, and all of your territorial rights will be eliminated. We otherwise will not change the size of your Development Area. Your Area Development Agreement does not give you any other options, rights of first refusal, or similar rights to acquire additional franchises within the territory or contiguous territories. If a default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement, we may terminate your Area Development Agreement. However, a default under the Area Development Agreement is not cause for termination of any existing Franchise Agreement.

#### **ITEM 13: TRADEMARKS**

360 Tour Designs & Marketing, LLC (“Licensor”) is the owner of the Marks and has granted us the exclusive right to use the Marks and license to others the right to use the Marks in the operation of a 360 Tour Designs outlet in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the 360 Tour Designs Marks, as described below (the “Principal Marks”).

-REMAINDER OF PAGE INTENTIONALLY LEFT BLANK-

Mark	Registration Number	Registration Date	Register
	5769510	June 4, 2019	Principal
360 Tour Designs	5836332	August 13, 2019	Principal
	7133874	August 8, 2023	Principal

Licensor has filed all required affidavits. Licensor intends to renew the registration for the Principal Marks at the times required by law.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Principal Marks or other Marks. Licensor and we will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of the Principal Marks or other Marks. Licensor and we have the right to control any administrative proceedings or litigation involving the Principal Marks or other Mark licensed by us to you. You must cooperate fully with Licensor and us in defending and/or settling the litigation.

We reserve the right to substitute different Marks if we can no longer use the current Marks, or if we determine that substitution of different Marks will be beneficial to the System. In such event, we may require you, at your expense, to modify or stop using any Mark, including the Principal Marks, or to use one or more additional or substitute Marks.

You must not directly or indirectly contest Licensor's right, or our right, to the Principal Marks or other Marks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administration of any state, or any court relating to the Marks. There is no pending infringement, opposition or cancellation. There is no pending material federal or state court litigation involving the Principal Marks or other Marks.

There are no currently effective agreements that significantly limit Licensor's or our rights to use or license the use of the Principal Marks or other Marks in a manner material to the franchise.

Our license agreement with Licensor gives us broad rights to use the Marks in connection with the operation of the 360 Tour Designs franchise System, and to sublicense to franchisees the right to use the Marks, in strict accordance with our Franchise Agreement. The term of our license agreement is for five (5) years, commencing February 13, 2019, and will automatically renew every five (5) years. The license agreement will terminate only upon (i) our bankruptcy or (ii) our election to terminate by providing 180 days' prior notice to the Licensor. A termination of the license agreement will have no effect on sublicenses granted to franchisees prior to the date of termination.

As of the date of this Disclosure Document, we know of no superior prior rights or infringing uses that could materially affect your use of the Principal Mark.

**ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We hold no patents and have no pending patent applications that are material to the franchise. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in our Operations Manual and the contents of our website.

There are no current material determinations of, or proceedings pending in, the United States Patent and Trademark Office, the U.S. Copyright Office, or any court regarding any of our copyrights discussed above.

There are no agreements currently in effect that limit your right to use any of our copyrights. As of the date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights that could materially affect your use of them.

You must notify us immediately when you learn about an infringement of or challenge to your use of our copyrights. We will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of our copyrights. We have the right to control any administrative proceedings or litigation involving our copyrights licensed by us to you. You must cooperate fully with us in defending and/or settling the litigation.

If you develop any new concept, process, product, service, or improvement ("Improvement") in the operation or promotion of the Franchised Business, you are required promptly notify us and provide us with all requested information relate to the Improvement and sign all documents necessary for us to obtain full proprietary rights to the Improvement. We have no obligation to compensate you for the Improvement or for any cost you incur to sign over your rights to the Improvement to us.

**During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of your Franchised Business; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the System; the Operations Manual; methods of advertising and promotion; instructional materials; marketing plans, business methods, research, development or know-how, any other information which we may or may not specifically designate as "confidential" or "proprietary", and the components of our System whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively called the "Confidential Information"). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets shall remain our exclusive property.** You may never during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing to you prior to any dissemination. Any and all of your personnel who have access to our Confidential Information must sign our Confidentiality/Non-Competition Agreement (Franchise Agreement, Attachment 9).

You must promptly tell us when you learn about unauthorized use of any Confidential Information. We are not obligated to take any action, but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use, in strict compliance with the Franchise Agreement, of the Confidential Information.

We reserve the right to modify or discontinue using the subject matter covered by a patent or copyright. In such event, we may require you, at your expense, to modify or discontinue using the subject matter in the operation of your Franchised Business.

**ITEM 15: OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

The Franchise Agreement requires that you personally supervise and manage the day-to-day operation of your Franchised Business. You may not appoint a non-owner manager of your Franchised Business, unless you receive our prior written approval. Upon approval, your manager must successfully complete our Initial Business Training Program and all other training courses we require. Your manager must devote full time to the job and cannot have an interest or business relationship with any of our competitors. If the franchisee is a business entity, your manager is not required to have an equity interest in the franchisee entity but must otherwise meet our approval.

Your manager and all other personnel who will have access to our proprietary and Confidential Information and training must sign our Non-Disclosure/Non-Competition Agreement, which is attached to our Franchise Agreement as Attachment 9. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Personal Guaranty, which is attached to our Franchise Agreement as Attachment 7.

**ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL**

You may only offer and sell the products and services that are part of the System, and the services and products which we incorporate into the System in the future. You may only offer products and services that we have previously approved and for which you are qualified to provide.

You may not use our Marks for any other business, and you may not conduct any other business at or through your Franchised Business operations or office. You cannot engage in any other business that competes with your Franchised Business, with us or our affiliates, or with 360 Tour Designs outlets owned by other franchisees, whether such business is inside or outside of the Territory.

We may add to, delete from or modify the products and services that you can and must offer. You must abide by any additions, deletions and modifications. There are no other limits on our rights to make these changes.

You may only sell products and services in the manner we prescribe. You may only solicit sales from customers in your Protected Area. Your local advertising must target customers in your Protected Area, although the reach of your local advertising may extend beyond your Protected Area.

**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.**

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Section in Area Development Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Art. 4	Not applicable	Term is ten (10) years
b. Renewal or extension of the Term	Art. 5	Art. 3	If you are in good standing as defined below, you can sign a successor agreement for an additional term of 5 years, unless we have determined, in our sole discretion, to withdraw from the geographical area where your Franchise is located.
c. Requirements for franchisee to renew or extend	Sections 5.1 and 5.2	Not applicable	Be in full compliance, have no more than three (3) events of default during current term, provide written notice to us at least ten months before the end of the term, execute a new franchise agreement, pay us the Successor Agreement fee of \$2,500, repair, upgrade or replace the equipment and other Franchised Business assets to meet then-current specifications, execute a general release, comply with then-current qualifications and training requirements, including completion of additional training, subject to state law. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d. Termination by franchisee	Not Applicable	Not Applicable	The Franchise Agreement does not give you any right to terminate. You may seek termination upon any grounds permitted by law.
e. Termination by franchisor without cause	Section 16.7	Section 6.6	The Franchise Agreement will terminate upon your death or permanent disability, and the Franchise must be transferred within 6 months to a replacement franchisee that we approve.
f. Termination by franchisor with cause	Article 17	Article 7	We may terminate only if you default, subject to state law. The Franchise Agreement describes defaults throughout. Please read it carefully.
g. "Cause" defined – curable defaults	Section 17.3	Section 7.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Section in Area Development Agreement</b>	<b>Summary</b>
			in the Franchise Agreement and described in h. immediately below).
h.	"Cause" defined - non-curable defaults	Sections 17.1 and 17.2	<p>The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not disclosed within 30 days.</p> <p>We may terminate the Franchise Agreement upon notice to you if you: do not obtain required licenses and permits and/or open the Franchised Business within required time frames; falsify any report to us; fail to operate for a period of five (5) consecutive days or more; fail to comply with applicable laws; understate Gross Revenue two (2) or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail, or your legal representative fails to transfer as required upon your death or permanent disability; misrepresent or omit a material fact in applying for the Franchise; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of the Marks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of the Marks or the System; conceal revenues or maintain false books; create a threat or danger to public health or safety; refuse an inspection or audit by us; use the Marks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations three (3) or more times during the term or receive two (2) or more default notices in any 12-month period; default under any other agreement with us or our affiliate; have insufficient funds to honor a</p>

Provision	Section in Franchise Agreement	Section in Area Development Agreement	Summary	
			check or EFT two (2) or more times within any twelve (12)-month period; fails to meet Minimum Performance Standards; or terminate the Franchise Agreement without cause.	
i.	Franchisee's obligations on termination/ non-renewal	Article 18	Section 7.4	Upon termination, you must: cease operations; cease to identify yourself as a 360 Tour Designs franchisee; cease to use the Marks; cancel any assumed name registration that contains any Mark; pay us and our affiliates all sums owing; pay us any damages, costs or expenses we incur in obtaining any remedy for any violation of the Franchise Agreement by you, including, but not limited to attorneys' fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; sell to us, at our option, all fixtures, equipment, inventory and supplies of your Franchised Business; and assign, at our option, your telephone numbers, directory and internet listings, and social media and software accounts.
j.	Assignment of contract by franchisor	Section 16.1.1	Section 6.1	No restrictions on our right to assign.
k.	"Transfer" by franchisee defined	Section 16.3	Section 6.1.1	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement, the Franchised Business, any assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
l.	Franchisor approval of transfer by franchisee	Section 16.3	Section 6.3	No transfer is allowed without our consent, which we will not unreasonably withhold.
m.	Conditions for franchisor approval of a transfer	Section 16.3 and 16.4	Section 6.3	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee successfully completes our Initial Management Training Program; you have paid us and third-party creditors all amounts owed; you and the transferee sign a General Release in the form of Attachment 4 to the Franchise Agreement; you shall subordinate any claims you have

Provision	Section in Franchise Agreement	Section in Area Development Agreement	Summary
			against the transferee to us; you will indemnify us for a period of 3 years following the transfer; our approval of the material terms and conditions of the transfer; and payment of a transfer fee equal to 75% of the then-current initial franchise fee or 50% of the then-current initial franchise fee for transfer to an existing franchisee in good standing, or \$1,500 for transfer to an entity owned and controlled by the franchisee for convenience purposes or \$3,500 for a transfer to a spouse, parent or child upon death or permanent disability, subject to state law.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16.6	Section 6.5
			You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b).we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Section 18.2	Not applicable
			Upon termination of the Franchise Agreement, we have the option to purchase your equipment, signs, advertising materials, supplies and inventory at your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Sections 16.3, 16.4 and 16.7	Section 6.6
			The Franchise Agreement will terminate upon your death or permanent disability, and the Franchise must be transferred within 6 months to a replacement franchisee that we approve.
q.	Non-competition covenants during the term of the franchise	Section 19.5.1	Section 8.3.1
r.	Non-competition covenants after the	Section 19.5.2	Section 8.3.2
			For 24 months after the termination of the Franchise Agreement, you may

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Section in Area Development Agreement</b>	<b>Summary</b>	
franchise is terminated or expires			not: divert, or attempt to divert, customers or referral sources of any 360 Tour Designs business (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business within 50 miles of your former 360 Tour Designs Territory or any other 360 Tour Designs office location; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees. Subject to state law.	
s.	Modification of the agreement	Sections 9.4, 14.6, 19.1.4 and 21.4	Not applicable	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.
t.	Integration/merger clause	Section 21.4	Section 11.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 20.1 and 20.2	Section 10.1 and 10.2	At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters, subject to state law.
v.	Choice of forum	Section 20.3	Section 10.5	Litigation takes place in Pennsylvania, subject to applicable state law.
w.	Choice of law	Section 20.3	Section 10.5	Pennsylvania law applies, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

**ITEM 18: PUBLIC FIGURES**

We do not currently use any public figures to promote our franchise.

**ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS**

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

On December 31, 2024, our fiscal year end, we had a total of 3 affiliate-owned outlets and 16 franchised outlets in operation. This Item contains a historical financial performance representation of our 16 franchised outlets in operation on December 31, 2024, only, 1 outlet is excluded from this financial performance representation as it was not operating for a full 12 months as of December 31, 2024.

**2024 Franchised Outlets Total Revenue<sup>(1)</sup>****Franchisees Who Own and Operate 1 Territory**

<u>Number of Franchisees: 4</u>	<u>2024</u>
Total Revenue - Highest Performing Territory <sup>(2)</sup>	\$92,650
Total Revenue - Lowest Performing Territory <sup>(3)</sup>	\$17,685
Total Revenue - Average <sup>(4)</sup>	\$62,381
Total Revenue - Median <sup>(5)</sup>	\$68,595

**Franchisees Who Own and Operate 2 Territories**

<u>Number of Franchisees: 3</u>	<u>2024</u>
Total Revenue - Highest Performing Territory	\$248,682
Lowest Performing Territory	\$88,104
Total Revenue – Average	\$149,133
Total Revenue - Median	\$110,614

**Franchisees Who Own and Operate 3 Territories**

<u>Number of Franchisees: 1</u>	<u>2024</u>
Total Revenue	\$299,118

**Franchisees Who Own and Operate 4 Territories**

<u>Number of Franchisees: 1</u>	<u>2024</u>
Total Revenue	\$818,754

<sup>1</sup> Total Revenue is defined as total income a business generates from all its sales before accounting for expenses.

<sup>2</sup> The highest performing territory figure represents the total gross revenue generated in the top-performing franchised territory during the fiscal year ending December 31, 2024.

<sup>2</sup> The lowest performing territory figure represents the total gross revenue generated in the lowest-performing franchised territory during the fiscal year ending December 31, 2024.

<sup>3</sup> Average revenue of is calculated based on Gross revenue of the 16 franchised outlets in operation as of December 31, 2024.

<sup>4</sup> The median revenue reflects the middle value of the top-line revenue figures for the 16 franchised outlets in operation as of December 31, 2024. The data has not been audited, and individual results may vary.

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request.

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

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Greg Drake, 360 Tour Designs Franchising, LLC, 355 North 21<sup>st</sup> Street, Suite 105, Camp Hill, Pennsylvania, 17011, 717-547-5360, the Federal Trade Commission, and the appropriate state regulatory agencies.

#### **ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1  
System-wide Outlet Summary  
For Years 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	15	15	0
	2023	15	15	0
	2024	15	12	-3
Company – Owned*	2022	3	3	0
	2023	3	4	+1
	2024	3*	3	0
	2022	18	18	0

Total Outlets	2023	18	19	+1
	2024	18	19	+1

\*1 Company-owned outlet was transferred to a Franchisee in 2024.

Table No. 2  
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)  
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Pennsylvania	2022	0
	2023	0
	2024	1
Total	2022	0
	2023	0
	2024	0

Table No. 3  
Status of Franchised Outlets  
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Colorado	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Indiana	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Maryland	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	1	0	0	0	1
Oregon	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Pennsylvania	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	1	0	0	0	2
Utah	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	1	0	0
	2024	0	0	0	0	0	0	0
Virginia	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
Washington	2022	1	0	0	0	0	0	1

	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
Total	2022	15	0	0	0	0	0	15
	2023	15	1	0	0	1	0	15
	2024	15	1	4	0	0	0	12

**Table No. 4**  
**Status of Company Owned\* Outlets**  
**For Years 2022 to 2024**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Pennsylvania	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Utah	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
	2024	1	0	0	0	0	1
Total	2022	3	0	0	0	0	3
	2023	3	1	0	0	0	4
	2024	4	0	0	0	0	4

**Table No. 5**  
**Projected Openings as of December 31, 2024**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
Florida	0	1	0
Maryland	0	0	0
Pennsylvania	0	2	0
<b>Total</b>	<b>0</b>	<b>2</b>	<b>0</b>

\* Our company-owned outlet is operated by our affiliate.

Exhibit F lists the location of each 360 Tour Designs franchisee in our System.

During our last fiscal year, no franchisee has had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the 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 the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

**ITEM 21: FINANCIAL STATEMENTS**

Our audited financial statements, which comprise the balance sheets and the related statements of operations and member's equity and cash flows for the years ended as of December 31, 2024, December 31, 2023, and December 31, 2022, are included in Exhibit D. We have adopted the modified retrospective method of ASC606.

Our fiscal year end is December 31.

**ITEM 22: CONTRACTS**

Copies of all proposed agreements regarding the franchise offering are included in this Disclosure Document, as follows:

- Exhibit B -- The Franchise Agreement and all attachments to it (Marks, Territory Description, Minimum Sales Requirement, Statement of Ownership Interests in Franchisee, Spousal Guaranty, Internet, Social Media, and Telephone Account Agreement, and Confidentiality and Non-Compete Agreement).
- Exhibit C – The Area Development Agreement and all attachments to it (Development Area)
- Exhibit H -- Franchisee Acknowledgement Statement, as permitted by state law. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ITEM 23: RECEIPT**

A receipt in duplicate is attached to this Disclosure Document as Exhibit I. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Greg Drake, 360 Tour Designs Franchising, LLC, 355 North 21<sup>st</sup> Street, Suite 105, Camp Hill, Pennsylvania, 17011.

## EXHIBIT A

### **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	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

<b>State</b>	<b>State Agency</b>	<b>Agent for Service of Process</b>
MINNESOTA	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	Office of the New York State Attorney General NYS Department of Law 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8211 Phone	Attention: NYS Department of Law New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, State Capitol 14th Floor, Department 414 Bismarck ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

**EXHIBIT B**  
**FRANCHISE AGREEMENT**

# 360 TOUR DESIGNS FRANCHISING, LLC FRANCHISE AGREEMENT

## TABLE OF CONTENTS

1.	RECITATIONS.	2
2.	GRANT OF FRANCHISE.	2
3.	SOLICITATION AND SALES RESTRICTIONS.	3
4.	TERM.	4
5.	SUCCESSION OPTIONS.	4
6.	FEES.	6
7.	TRAINING.	9
8.	FRANCHISED BUSINESS SITE REQUIREMENTS.	10
9.	MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED BUSINESS AND SYSTEM.	11
10.	FRANCHISOR'S OBLIGATIONS.	12
11.	FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS.	13
12.	FRANCHISEE'S OPERATIONS.	17
13.	ADVERTISING, PROMOTIONS AND RELATED FEES.	23
14.	INTELLECTUAL PROPERTY.	27
15.	INSURANCE AND INDEMNIFICATION.	30
16.	TRANSFERS.	32
17.	DEFAULTS.	36
18.	POST-TERMINATION.	40
19.	NON-DISCLOSURE AND NON-COMPETITION COVENANTS.	42
20.	DISPUTE RESOLUTION.	46
21.	GENERAL.	49

## List of Attachments:

- ATTACHMENT 1: TRADEMARKS
- ATTACHMENT 2: TERRITORY DESCRIPTION AND INITIAL FEE
- ATTACHMENT 3: ANNUAL MINIMUM PERFORMANCE STANDARDS
- ATTACHMENT 4: ACH AUTHORIZATION FORM
- ATTACHMENT 5: STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE/ENTITY
- ATTACHMENT 6: GUARANTY
- ATTACHMENT 7: INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND  
TELEPHONE ACCOUNT AGREEMENT
- ATTACHMENT 8: CONFIDENTIALITY AND NON-COMPETE AGREEMENT
- ATTACHMENT 9: GENERAL RELEASE

THIS FRANCHISE AGREEMENT (this "Agreement") is being entered into this day of \_\_\_\_\_, (the "Effective Date") by and between 360 Tour Designs Franchising, LLC, a Pennsylvania limited liability company with its principal place of business at 355 North 21st Street, Suite 105, Camp Hill, Pennsylvania 17011 (herein "Franchisor") and \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_ and \_\_\_\_\_ 's principals \_\_\_\_\_, an individual residing at \_\_\_\_\_ and \_\_\_\_\_, an individual residing at \_\_\_\_\_ ("Principal(s)"). \_\_\_\_\_ and Principal(s) shall be individually and collectively referred to, and each is, the "Franchisee".

#### RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a business that provides comprehensive residential and commercial real estate and property imagery services, using Franchisor's format, trade dress, methods of marketing and operation, training and assistance, Franchisor's confidential operations manual of business practices and policies (taken together herein the "System").

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the service mark 360 Tour Designs, as set forth in Attachment 1, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

**1. RECITATIONS.** The Recitations set out above form part of this Agreement.

**2. GRANT OF FRANCHISE.** Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate a 360 Tour Designs franchise that provides comprehensive residential and commercial real estate and property imagery services (the "Franchise" or "Franchised Business"), using only the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved and further developed by Franchisor from time to time. This grant applies only within a territory that is designated in Attachment 2 attached hereto and incorporated herein (the "Territory").

### 3. SOLICITATION AND SALES RESTRICTIONS

- 3.1 Territory. This Agreement grants Franchisee the right to operate the Franchise Business within the Territory only. Franchisee acknowledges that (i) the Territory was mutually agreed upon by Franchisor and Franchisee, (ii) prior to the Effective Date hereof, Franchisee conducted Franchisee's own due diligence with regard to potential customers and other matters relative to the operation of the Franchised Business in the Territory, and (iii) Franchisor's agreement to the Territory is permission only, does not constitute a representation, promise, warranty, or guarantee, express or implied, by Franchisor that the Franchised Business operated therein will be profitable or otherwise successful, and cannot, and does not, create any liability for Franchisor.
- 3.2 Minimum Performance Standards. Franchisee acknowledges the importance of actively developing the Territory to achieve maximum revenues, and, to that end, Franchisee agrees to use best efforts to market Franchisee's Franchised Business to meet the Minimum Performance Standards. Franchisee's failure to meet the Minimum Performance Standards is a material default of this Agreement, and upon such default, Franchisor is entitled to either (i) reduce the size of the Territory or (ii) terminate this Agreement.
- 3.3 Outside-Area Sales. Franchisee is hereby permitted to perform real estate and property imagery services outside of the Territory where: (A) the customer is (i) a current in-Territory customer of Franchisee and (ii) solicited the service of Franchisee to provide real estate and property imagery services at a property located outside of the Territory, or (B) the customer is (i) a former customer of Franchisee who has relocated outside of the Territory and (ii) solicited the service of Franchisee to provide real estate and property imagery services at a property in the customer's relocation area and (iii) the relocation area is not in the territory of another 360 Tour Design franchisee, or (C) Franchisee otherwise obtains Franchisor's prior approval. Prior to performing any real estate and property imagery services pursuant to this Section 3.3, Franchisee shall obtain (x) any and all required licenses to conduct business in the subject location and (y) all required insurance as set forth in Article 15 hereof covering services that Franchisee performs in the subject location. Franchisee hereby acknowledges that other System franchisees have substantially similar rights to service customers outside of their territories, which includes servicing customers that may be within Franchisee's Territory, and Franchisee hereby agrees that the exercise of such right by other System franchisees is deemed not to impair or injure Franchisee's rights pursuant to Section 2 hereof.
- 3.4 Reservation of Rights. Franchisee understands and agrees that all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside of the Territory. By way of example only, Franchisor reserves the rights to offer (i) other services and products not offered under the Marks, (ii) other photography or imaging concepts or products under the Marks or other trademarks, (iii) products or services through other channels of distribution in the Territory including, but not limited to, co-branding with other real estate businesses, and products offered through retail stores, the Internet or direct marketing ("Alternate Channels of Distribution"). Franchisor further specifically reserves the right to solicit, sell to, negotiated rates with, and service real estate firms that

conduct business across multiple areas or have multiple locations either regionally or nationally, such as real estate brokerage firms, property management firms, marketing firms, insurance companies and builders (“Commercial Accounts”). Franchisor may offer Franchisee the right to service Commercial Accounts in the Territory, provided that Franchisee accepts negotiated terms; otherwise, Franchisor may service the Commercial Accounts either directly or permit another franchisee to provide such service. Franchisee will receive no compensation for Franchisor’s sales through Alternate Distribution Channels or declined Commercial Accounts made within the Territory. Franchisee agrees that such implementation of Franchisor’s rights pursuant to this Section 3.4 is deemed not to impair or injure Franchisee’s rights pursuant to Section 2 hereof.

- 3.5 **Territory Expansion.** In the event that Franchisee desires to expand the Territory to include contiguous area, Franchisor will permit such expansion in Franchisor’s reasonable discretion, up to an additional 250,000 in population, for a fee of Eight Thousand Five Hundred Dollars (\$8,500.00), or up to an additional 500,000 in population for a fee of Twelve Thousand Five Hundred Dollars (\$12,500.00), provided that (i) Franchisee is in full compliance with this Agreement, (ii) such expansion does not encroach on the rights of other 360 Tour Designs franchisees or Franchisor, (iii) Franchisee executes a General Release in the form attached hereto as Attachment 9, (iv) Franchisee has been in operation for a minimum of one year, (v) Franchisee agrees to the proportional increase of Minimum Performance Standards set forth in Attachment 3. Attachment 2 shall be amended to reflect the approved expanded Territory.
4. **TERM.** Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above and terminate on the date that is five (5) years following the Opening Date, as defined in Section 8 hereof (the “Term”).
5. **SUCCESSOR OPTIONS.** Subject to the terms and conditions of this Agreement, Franchisee shall have the right, following the expiration of the Term hereof, to enter into a new franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Territory is located (the “Successor Franchise Agreement”) for one (1) additional term of five (5) years. The term of such Successor Franchise Agreement shall commence upon the date of expiration of the immediately preceding term. Franchisee shall be charged a successor agreement fee equal to Two Thousand Five Hundred Dollars (\$2,500.00) (“Successor Agreement Fee”). In the event Franchisee is not in full compliance with Section 5.2 below at the time Franchisee notifies Franchisor of Franchisee’s desire to enter into a successor agreement, it shall be in Franchisor’s sole and absolute discretion whether to permit the successor agreement.
  - 5.1 **Form and Manner of Successor Agreement.** If Franchisee desires to exercise Franchisee’s option to enter into a Successor Franchise Agreement, it shall be done in the following manner:

- 5.1.1 Not less than nine (9) months prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor's then current Disclosure Document (including Franchisor's then current franchise agreement).
- 5.1.2 Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within sixty (60) days after receipt by Franchisee of a copy of Franchisor's then current Disclosure Document.
- 5.1.3 The Successor Franchise Agreement shall supersede this Agreement in all respects, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.
- 5.1.4 If Franchisee fails to perform any of the acts, or deliver any of the notices required pursuant to this Section 5.1 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee's option to enter into the Successor Franchise Agreement, and such failure shall cause Franchisee's right and option to automatically lapse and expire, without further notice by Franchisor.
- 5.1.5 Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.

5.2 Conditions of Successor Agreement. Franchisee's right to enter into a Successor Franchise Agreement is conditioned upon the following:

- 5.2.1 Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee's obligations under this Agreement, Franchisor's operations manual ("Manual") and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations.
- 5.2.2 Franchisee shall not have committed three (3) or more events constituting default during the Term of this Agreement, whether or not such defaults were cured.
- 5.2.3 Franchisee will have completed any required additional training to Franchisor's reasonable satisfaction.
- 5.2.4 Franchisee performs such repairs, upgrades and replacements as Franchisor may require to cause the Franchised Business equipment, computer system, vehicle(s) and other assets to conform to the then-current specifications for franchised businesses on the renewal date.
- 5.2.5 Franchisee shall execute a general release of all claims Franchisee may have against 360 Tour Designs Franchising, LLC, its parent, subsidiaries and affiliates,

its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities, in the form attached hereto as Attachment 9. This release will include all claims arising under any federal, state, or local law, rule, or ordinance.

- 5.2.6 Franchisee shall pay the required Successor Agreement Fee and sign the Successor Franchise Agreement.
- 5.3 Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering new 360 Tour Designs franchises, is in the process of revising, amending or renewing Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then-current form of Successor Franchise Agreement at the time Franchisee advises Franchisor pursuant to Paragraph 5.2 hereof that Franchisee desires to renew, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate successor term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then current form of Successor Franchise Agreement. Any timeframes specified in this Paragraph 5 shall be inclusive of any state mandated notice periods.
- 5.4 Additional Reservation of Rights. Notwithstanding anything herein to the contrary, Franchisor reserves the right not to enter into a successor franchise agreement for this Franchise as a result of a decision to withdraw from the Territory in which Franchisee's Franchised Business is located.

## 6. FEES

- 6.1 Initial Franchise and Royalty Fees. As part of the consideration for the right to operate the Franchise granted herein, Franchisee shall pay to Franchisor the following fees:
  - 6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee of Thirty Four Thousand Five Hundred Thousand Dollars (\$34,500.00) (the "Initial Fee"). **The Initial Fee is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances.** Franchisee shall pay the full amount of the Initial Fee to Franchisor upon Franchisee's execution of this Agreement.
  - 6.1.2 Photography Equipment Package Fee. Franchisee shall pay Franchisor an initial equipment package fee in the amount of Twenty-Two Thousand Five Hundred (\$22,500) for the purchase of, and delivery to Franchisee, of certain photography equipment, including a drone and accessories. Franchisee shall pay the full amount of the initial equipment package fee upon Franchisee's execution of this Agreement.

6.1.3 Marketing Materials Fee. Franchisee shall pay Franchisor an initial marketing materials fee in the amount of Two Thousand Seven Hundred and Fifty Dollars (\$2,750) for the purchase of, and delivery to Franchisee, of certain marketing material, including signs, flyers, a table banner and business cards. Franchisee shall pay the full amount of the initial marketing materials fee upon Franchisee's execution of this Agreement.

6.1.4 Royalty Fee. Franchisee agrees to pay Franchisor, monthly throughout the Term, a royalty fee equal to eight percent (8%) of the Gross Revenue, as hereinafter defined, realized from the Franchised Business and from any other revenues received using Franchisor's trademarks, methods, operations and/or trade secrets (the "Royalty Fee"). The term "Gross Revenue" includes all revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited, any and all other revenues received using Franchisor's trademarks, methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenues also include all proceeds from any business interruption insurance. Excluded from Gross Revenues are: (1) sales taxes and other taxes separately stated that Franchisee collects from customers and pays to taxing authorities; (2) refunds and credits made in good faith to arms' length customers, provided such credits or refunds are made in accordance with Franchisor's standards and specifications; and (3) the discount value of any voucher or other allowance that Franchisor authorizes at the time Franchisee redeems the customer's voucher or allowance.

6.1.5 Gross Revenue Reports. Franchisee shall, on or before the last day of each calendar month, furnish Franchisor with a report showing Franchisee's Gross Revenue at or from the Franchised Business and/or made pursuant to the rights granted hereunder during the immediately prior calendar month (the "Gross Revenue Report"). The Gross Revenue Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. At Franchisor's discretion, Franchisee shall submit, or grant Franchisor access to, the Gross Revenue Report by an electronic transfer of data via the computer information systems ("Computer System") that Franchisor requires Franchisee to use in the operation of the Franchised Business.

6.1.6 Method of Payment. Franchisee shall, together with the submission of the Gross Revenue Report, pay Franchisor the Royalty Fee and the Brand Development Fund Contribution, as defined and more particularly described in Article 13, then due. At Franchisor's request, Franchisee must execute documents, including but not limited to, the Authorization set forth in Attachment 4, that allow Franchisor to automatically take the Royalty Fee and Brand Development Fund Contribution due as well as other sums due Franchisor, from business bank accounts via electronic funds transfers or Automated Clearing House ("ACH") payments. Franchisee's failure to allow electronic funds transfers or ACH payments on an ongoing basis is a material breach of this Agreement. If Franchisee fails to timely report Gross Revenue, then, in addition to a

late fee and interest pursuant to Sections 6.2 and 6.3 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Royalty Fee payable. Franchisor shall reconcile amounts when Gross Revenues are reported.

- 6.2 **Late Fee.** If the Royalty Fee, Brand Development Fund Contribution, other fee due and payable to Franchisor or any Gross Revenue Reports are not received by Franchisor as required by this Agreement, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of One Hundred Twenty-Five Dollars (\$125.00). This late fee is reasonably related to Franchisor's costs resulting from the delay in payment and/or receipt of any report, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to pay the Royalty Fee, the Brand Development Fund Contribution, and/or submit Gross Revenue Reports in accordance with the terms of this Agreement.
- 6.3 **Interest.** Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof shall bear interest from the date due until paid at the rate of 18% per annum or at the highest rate permitted by law, whichever is lower.
- 6.4 **Non-Sufficient Funds Fee.** In the event any of Franchisee's checks are returned, or an electronic funds transfer from Franchisee's bank account is denied, for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due, a non-sufficient funds fee of One Hundred Dollars (\$100.00) per occurrence. This non-sufficient funds fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.
- 6.5 **Call Center Fee.** Franchisor reserves the right to establish a regional or national call center. In the event that a call center is established, Franchisee shall pay to Franchisor or to such call center(s) fees for all calls directed to Franchisee for services to be performed in the Territory in accordance with such call center's then-current fee schedule and Franchisor's requirements.
- 6.6 **Proprietary Software Fee.** Franchisor shall impose a software, applications and internal systems fee upon Franchisee, in an amount of Three to Eight Dollars (\$3.00 to \$8.00) per job, for necessary software as well as the development, adoption and/or use of new or improved internal systems technology for the benefit of the System and Franchised Business, including but not limited to, assigned phone numbers and email addresses required for use in the Franchised Business, a franchise portal, benchmarking platform or other operations or communications systems ("Software, Applications and Internal Systems Fee"). In Franchisor's sole discretion, Franchisor may (i) increase the amount of the internal systems fees or (ii) replace the technology with different technology, developed by Franchisor or a third-party, and Franchisee shall pay the then-current fees for the replacement technology and for continuous access thereto. Franchisee shall pay the Internal Systems Fee in the manner and frequency as reasonably determined by Franchisor.

- 6.7 Monthly Social Media Fee. Franchisor shall impose this monthly social media fee upon Franchisee, in an amount of Seventy-Five Dollars (\$75.00) per month for content created and provided to the Franchisee for use on all social media accounts for their Franchised Business. Franchisees are required to use this content on all accounts as instructed by the Franchisor.
- 6.8 Taxes. If any withholding, sales, excise, use, privilege or other tax (excepting Franchisor's income tax obligation) ("Tax Charge") is imposed or levied by any government or governmental agency on Franchisor or Franchisee for any fee due and payable under this Agreement, including but not limited to, the Royalty Fee and Brand Fund Contribution (for the purpose of this Section 6.6, such fee shall be referred to as a "Taxable Payment"), then Franchisee shall pay Franchisor a sum equal to the amount of the Tax Charge, together with the Taxable Payment, such that the net sum received by Franchisor equals the amount of the Taxable Payment without deduction, withholding, payment or application of the Tax Charge.

## 7. TRAINING

- 7.1 Initial Management Training Program. Franchisee shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial management training program ("Initial Management Training Program") prior to the opening of the Franchised Business. The Initial Management Training Program consists of a three (3)-day course conducted at Franchisor's headquarters. Franchisor reserves the right to designate an alternate location for the Initial Management Training Program. Franchisee must at all times during the term of this Agreement have a principal who has successfully completed the Initial Management Training Program to Franchisor's sole and complete satisfaction. No charge shall be made for up to two (2) individuals to take the Initial Management Training Program prior to opening the Franchised Business ("Initial Trainees"). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, most meals and wages.
- 7.2 Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Management Training Program. If the Initial Management Training Program is not satisfactorily completed by the Initial Trainees, or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that the Initial Management Training Program cannot be satisfactorily completed by Franchisee or a Principal, Franchisor may terminate this Agreement.
- 7.3 Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time. If required by Franchisor, Franchisee, or Franchisee's Principal(s), shall participate in on-going training and/or a national business meeting or annual convention, for up to five (5) days per year. Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business

meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement. Franchisee or Franchisee's principal(s) shall be required to obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional missed training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal(s) and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.

- 7.4 **In-Territory Remedial Training.** Upon Franchisee's reasonable request or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide Franchisee with additional trained representatives who shall provide phone or screen-share remedial training and assistance to Franchisee's personnel. For any additional on-site training and assistance within the Territory, Franchisee shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.
- 7.5 **Counseling and Assistance.** In addition to visits by Franchisor's field representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of Franchisor's personnel, upon Franchisee's request and at no charge, unless such assistance is provided in Territory pursuant to Section 7.4, furnish consultation and assistance to Franchisee, either in person or by telephone, video conference, electronic mail or postal service, as determined by Franchisor, in Franchisor's sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding employee training, marketing, operation issues, bookkeeping and System improvements.

## **8. FRANCHISED BUSINESS SITE REQUIREMENTS**

- 8.1 Franchisee shall commence operation of the Franchised Business from a home-based office. If Franchisee desires to operate out of a commercial office premises during the Term after the first year of the Term, such office premises is subject to Franchisor's approval, and in accordance with Section 8.3 hereof. Franchisee assumes all cost, liability, expense and responsibility for equipping and outfitting the Franchised Business office as outlined in the Manual.
- 8.2 **Time to Open.** Franchisee acknowledges that time is of the essence in this Agreement. Upon Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business, which shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) satisfactorily complete Franchisor's Initial Management Training Program, as further set forth in Article 7, (ii) hire and train staff, if required, (iii) obtain all required licenses to operate the Franchised Business, (iv) obtain all equipment Franchisor requires, including but not limited to, computer systems, software,

applications, and vehicle in accordance with Franchisor's standards, and (v) join a real estate board or association in the Territory. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee's failure to open the Franchised Business and commence business (i) in accordance with the foregoing and (ii) within sixty (60) days following the date of this Agreement, unless otherwise extended by Franchisor, shall be deemed a material event of default under this Agreement.

8.3 **No Relocation.** Franchisee's rights to operate the Franchised Business shall be limited to the Territory set forth in Attachment 2, and no other. Franchisee shall not relocate the office of the Franchised Business to commercial premises at any time without Franchisor's written approval, which approval shall be granted only in the sole and complete discretion of Franchisor, and if permitted, shall be at Franchisee's sole expense. In the event such permission is granted, (i) Franchisee shall remove any signs or other property from the original Franchised Business office which identified the original Franchise Business office as part of the System and (ii) the parties shall amend Attachment 2 to reflect the address of the new Franchised Business office premises.

## **9. MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED BUSINESS AND SYSTEM**

9.1 **Maintenance of Franchised Business Assets.** Franchisee shall maintain the Franchised Business office premises, all required Franchised Business equipment, Franchisee's vehicle, the Computer System, and all hardware, software and related accessories to the standards of quality, repair and condition required by Franchisor, which standards are specified in the Manual and other written directives, standards and specifications. Franchisee, at Franchisee's expense, shall make such alterations, repairs, refurbishing and replacements as may be required to comply with Franchisor's standards, including, without limitation, periodic repairs or replacement of worn or impaired equipment, vehicles and computer hardware, software and accessories, as Franchisor may direct.

9.2 **Equipment and Technology Updates.** Franchisee shall make any and all upgrades to equipment, including but not limited to, the Computer System, telecommunications hardware and software, payment processing systems, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.

9.3 **System Services.** From time to time, Franchisor, in Franchisor's sole discretion, may modify or add to the real estate and property imagery services offered by the 360 Tour Design System. Upon written notice by Franchisor, Franchisee shall incorporate all modifications and additions to the services offered by Franchised Business, and Franchisee shall (i) purchase, or otherwise obtain access to, all necessary equipment, software, applications and/or supplies to perform such modified or additional services and (ii) attend any additional training, in accordance with Section 7.4 hereof, as Franchisor may direct.

9.4 **Trade Dress Modifications.**

- 9.4.1 Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new or modified color schemes, tag lines, logos or marks (collectively, "Trade Dress Modifications").
- 9.4.2 Franchisee shall, at Franchisee's sole expense, modify identifying elements of the Franchised Business, as required by Franchisor to conform to Trade Dress Modifications. Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.
- 9.4.3 Franchisee will accept, use and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.

9.5 **No Liability/Waiver of Claims.** Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the additions or modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the additions and modifications contemplated by this Article 9, including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

9.6 **Franchisee Advisory Council.** Franchisor reserves the right to create (and if created, the right to change or dissolve) a franchisee advisory council as a formal means for System franchisees to communicate ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council-related activities and meetings, which invitation may be based on a franchisee's level of success, superior performance and profitability.

## **10 FRANCHISOR'S OBLIGATIONS**

Franchisor and/or its designated representative will provide the services described below:

- 10.1 **Territory and Site Determination.** Designate the boundaries of Franchisee's Territory, by description and/or mapped boundaries, and set forth same in Attachment 2 attached hereto and incorporated herein. Franchisor shall also approve a commercial site of the Franchised Business office premises in accordance with Section 8.3, if applicable.
- 10.2 **Manual.** Provide Franchisee access to the Confidential Operations Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents

may be provided electronically or via the Internet, at Franchisor's sole and absolute discretion.

- 10.3 Pre-Opening Requirements. Provide Franchisee with the initial equipment package set forth in Section 6.1.2, the initial marketing materials set forth in Section 6.1.3, and a written list of other equipment (including vehicle specifications), signage, supplies and products that will be required and/or recommended to open the Franchised Business for business. Notwithstanding the foregoing, Franchisor has no obligation to deliver to Franchisee the drone and drone accessories, unless and until Franchisee provides documentation of Franchisee's drone pilot license.
- 10.4 Advertising Materials. Provide samples or digital artwork of certain advertising and promotional materials and information developed by Franchisor from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.
- 10.5 List of Supplies/Suppliers. Make available from time to time, and amend as deemed appropriate by Franchisor, required products and services and a list of approved and/or recommended suppliers of products and services therefor. Franchisee acknowledges that Franchisor or Franchisor's affiliate(s) may be the sole approved supplier(s) of certain products and services that Franchisee is required to purchase to operate the Franchised Business .
- 10.6 Training. The training programs specified in Article 7 herein.
- 10.7 On-Going Assistance. Post-opening assistance in accordance with the provisions of Article 7.
- 10.8 Brand Development Fund. Administer a Brand Development Fund in accordance with Section 13.3.

## **11 FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS**

- 11.1 Best Efforts. Franchisee, including each Principal, covenants and agrees that he or she shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.
- 11.2 Corporate Representations. If Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee and each Principal represent, warrant and covenant that:
  - 11.2.1 The Franchisee entity is duly organized and validly existing under the state law of its formation;
  - 11.2.2 Attachment 5 of this Agreement accurately reflects all individuals with an ownership interest, whether direct or beneficial, in the Franchisee entity;

- 11.2.3 The Franchisee entity is duly qualified and is authorized to do business in the jurisdiction of the Franchised Business premises and the Territory;
- 11.2.4 The Franchisee entity's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;
- 11.2.5 The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee; and
- 11.2.6 Any financial statements and tax returns provided to Franchisor shall be certified as true, complete, and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments, or obligations of any nature exist as of the date of the statements or returns, whether accrued, unliquidated, absolute, contingent, or otherwise, that are not reflected as liabilities; and

11.3 Spousal Guaranty. If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 6 hereof.

11.4 Personal Supervision.

- 11.4.1 Franchisee shall personally supervise the operation of the Franchised Business and may not appoint a manager, unless Franchisee receives Franchisor's prior written consent. Franchisee accepts full responsibility for, and shall be fully liable to, Franchisor for the acts and omissions of any and all agents, employees or third persons working for or with Franchisee. Franchisee shall ensure that its agents, employees, and all third-party business affiliates observe and adhere to all applicable terms, conditions and restrictions contained in this Agreement and in the Manual; including but not limited to quality and service standards, confidentiality, works made for hire, non-compete and the agreement to return all Franchisor proprietary and confidential information. Any breach of a term or condition contained in this Agreement by an agent, employee or third party working for Franchisee shall be deemed to be the same as a direct breach by Franchisee and its Principals; and Franchisor shall have all the same rights and remedies as if the breach occurred through the direct acts or omissions of the Franchisee and/or its named Principals. Franchisee's agents, employees and third-party business affiliates shall further:

- (i) Meet all Franchisor's standards and criteria for such individual(s), as set forth in the Manual.
- (ii) Execute a confidentiality and non-compete agreement in a form substantially similar to Attachment 8.
- (iii) Satisfy the training requirements set forth in Article 7, including completion of the Initial Management Training Program, if required by Franchisor. Franchisee shall pay Franchisor the then-current fee for attendance at the Initial Management Training Program and shall pay all other costs of to attend training, including transportation, lodging, and meals.

11.4.2 Franchisee shall promptly notify Franchisor when any employee, agent or third-party affiliate previously granted access to Franchisor's proprietary or confidential information ceases to be employed or affiliated with Franchisee, so that any and all access rights to Franchisor proprietary or confidential information may be terminated and all such materials returned to Franchisor. Any failure by Franchisee to comply with the requirements of this Section shall be deemed a material event of default under this Agreement.

11.5 Legal Compliance. Franchisee shall comply with all federal, state, and local laws, rules and regulations and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business; health and sanitation inspections, if and when required; fictitious name registrations; sales and other tax permits; reporting and payment of all taxes; fire and police department clearances; Americans With Disability Act compliance; compliance with all federal, state or local data privacy laws, rules, and regulations; certificates of occupancy; any permits, certificates or licenses required by any environmental federal, state or local law, rule or regulation, and compliance otherwise with all environmental laws, rules, and regulations; and any other requirement, rule, law or regulation applicable to Franchisee or in the jurisdiction of the Territory. Franchisee shall further comply with all industry best practices with respect to the handling, storage, preparation, service and disposal of food and beverage products.

11.6 Claims and Potential Claims. Franchisee shall notify Franchisor in writing within three (3) days of any incident or injury that could lead to, or the actual commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which in any way relating to or affecting the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium, except as directed by Franchisor.

11.7 Assignment of Numbers and Listings. Franchisee shall execute such forms and documents, including the Internet Advertising, Social Media, Software, and Telephone Listing Agreement contained in Attachment 7 to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers, listings, and passwords and administrator rights for all email, software, and social media accounts used or created by or for Franchisee. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all Internet listings, domain names, Internet advertising, websites, listings with search engines, email addresses, social media accounts, or any other similar listing or usages related to the Franchised Business.

11.8 Access to Tax Filings. Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary, to appoint Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state or federal taxing authority.

11.9 Security Agreement. To secure payment of all sums owing to Franchisor from Franchisee, whether they be Royalty Fees, Brand Fund Contributions, and/or other fees, costs, damages, or reimbursements pursuant to this Agreement or any other agreement between Franchisor and Franchisee and/or Principal(s), Franchisee grants Franchisor a security interest in the Collateral (as hereafter defined) and further agrees:

11.9.1 The Collateral means all furniture, fixtures, equipment, signage, inventory, and supplies of the Franchised Business, wherever located, that are now owned or hereafter acquired, and any additions, substitutions, replacements, or products thereof or proceeds therefor.

11.9.2 This Agreement shall be deemed a security agreement, and Franchisor, in Franchisor's discretion, may file with applicable state agencies or offices this Agreement and/or one or more financing statements indicating Franchisor's secured interest in the Collateral. Franchisee shall cooperate with Franchisor and shall execute such documents as may be necessary for Franchisor to perfect its security interests.

11.9.3 Upon a default of this Agreement by Franchisee, all sums owing to Franchisor from Franchisee shall be immediately due and payable, and Franchisor shall have the immediate right to possession and use of the Collateral, which includes Franchisor right to enter upon any premises, without legal process, where the Collateral may be found. Franchisor further shall have all rights, options, duties, and remedies of a secured party pursuant to the Uniform Commercial Code, as adopted by the State where the Collateral is located, including the right to dispose of the Collateral in accordance therewith.

11.9.4 Franchisor's exercise of its rights with regard to the Collateral are in addition to and not exclusive of any other rights or remedies that Franchisor may have pursuant to this Agreement, at law, or in equity for Franchisee's breach of this Agreement.

11.10 Continuing Obligation. Franchisee and each Principal acknowledge and agree that the representations, warranties, and covenants set forth in this Article 11 are continuing obligations of Franchisee and each Principal, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties and covenants.

## **12 FRANCHISEE'S OPERATIONS**

12.1 Operation of Franchised Business. In order to maintain the highest degree of quality and service on a uniform System-wide basis, Franchisee shall operate the Franchised Business in conformity with the methods, standards and specifications prescribed by Franchisor. Franchisee agrees to comply with the Manual, as it is modified from time to time, and all directives, rules and procedures specified by Franchisor, and will, among other things:

- 12.1.1 Procure the necessary licenses or permits to allow the operation of the Franchised Business and otherwise comply with all applicable governmental laws, ordinances, rules, and regulations. Franchisee shall obtain a drone pilot license within ninety (90) days of the Effective Date hereof. Franchisee shall not operate any drone unless and until such drone pilot license, and any other permit required for drone operation, is obtained;
- 12.1.2 Use only the equipment, tools, products, and supplies that conform with Franchisor's specifications and/or which shall be purchased from only those vendors designated and approved by Franchisor. Franchisee acknowledges and agrees that: (i) Franchisor and/or Franchisor's affiliate may be a designated supplier or sole approved supplier of any product or service that Franchisee is required to lease or purchase, (ii) Franchisor and/or Franchisor's affiliate may receive payment from supplier(s) related to Franchisee's required purchases or leases, and (iii) any payments so received are for Franchisor's benefit only and may be used or applied in any manner determined by Franchisor in Franchisor's sole and absolute discretion;
- 12.1.3 Conduct sales and service of customers using Franchisor's format, methods, forms, reports and software and otherwise in accordance with Franchisor's standards and specifications;
- 12.1.4 Employ sufficient employees as prescribed by Franchisor to operate the Franchised Business at its maximum capacity and efficiency as required by Franchisor;

- 12.1.5 Employ only qualified individuals, in accordance with Section 12.5 below, who are trained and licensed as required by Franchisor and who will at all times conduct themselves in a competent and courteous manner in accordance with this Agreement and the image and reputation of the System. Franchisee shall require Franchisee's employees to wear clothing conforming to Franchisor's specifications as to style, color, and design as Franchisor may from time to time reasonably designate so as to maintain the goodwill and reputation of Franchisor, the System and the Marks. Franchisee acknowledges and agrees that poorly trained employees, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;
- 12.1.6 Permit Franchisor or its agents, to inspect the Franchised Business and any services, products, or equipment, through service call attendance or otherwise, to determine whether they meet Franchisor's then-current standards, specifications, and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for Franchisor's inspection costs of any product or service that does not conform to the System standards and specifications;
- 12.1.7 Maintain in good working order, cleanliness and appearance, all vehicles for use in the Franchised Business. Franchisor reserves the right to set specifications and standards of condition, age and branding, as set forth in the Manual, of vehicles used in the Franchised Business.
- 12.1.8 Prominently display identifying elements of the System of such nature, form, color, number, location, and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing; and to refrain from using any sign, advertising media, or identifying element of any kind to which Franchisor reasonably objects, including signs and advertising media which have been outdated. Upon giving Franchisee notice of its objection to same or upon termination hereof, Franchisor may at any time enter upon the Franchised Business office premises or elsewhere and remove any objectionable or non-approved sign, advertising media or identifying element and keep or destroy same without paying therefor or without being deemed guilty of trespass or any other tort;
- 12.1.9 Conduct all advertising programs in a manner consistent with Franchisor's standards and specifications, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks;
- 12.1.10 Maintain real estate and property board/association memberships within the Territory throughout the term of the Franchised Business.

## 12.2. Bookkeeping and Reports.

- 12.2.1. Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures specified by

Franchisor. Franchisee agrees to purchase the computer systems specified in Section 12.3 to maintain the records and accounts of the Franchisee to the standards of the Franchisor. Franchisee acknowledges and agrees that the financial data of Franchisee's Franchised Business (i) is owned by Franchisor, (ii) is Franchisor's Proprietary Information, (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof, and (iv) may be shared with other franchisees in the System.

- 12.2.2. Within thirty (30) days after the close of each calendar quarter and within ninety (90) days after the close of each fiscal year, Franchisee will furnish Franchisor a full and complete written statement of income and expense and a profit and loss statement for the operation of the Franchised Business during said period, together with a balance sheet for the Franchised Business, all of which shall be prepared in accordance with generally accepted accounting principles and practice. Franchisee's annual statements and balance sheets shall be prepared by an independent certified public accountant and certified to be correct.
- 12.2.3. The financial statements required hereunder shall be in such form and contain such information as Franchisor may from time to time reasonably designate.
- 12.2.4. Franchisor reserves the right to require Franchisee to engage the services of a third-party accounting services firm, designated and approved by Franchisor, in the event that (i) Franchisee fails to keep books and records in accordance with Franchisor's standards or (ii) Franchisor, in its sole discretion, determines that use of a third-party accounting services firm by all System franchisees is beneficial to the System.
- 12.2.5. Franchisor shall have the right at all reasonable times to examine, at its expense, Franchisee's books, records, and tax returns. If Franchisor's examination finds any underpayment owed in any Gross Revenue Report, Franchisee shall reimburse Franchisor for the cost of such examination and pay the Franchisor the amounts due together with interest thereon at the rate provided herein. Such understatement may be considered a material default hereunder. Two (2) such understatements during the Term of this Agreement may, at the option of Franchisor, be considered an incurable default and thereby subject to termination as provided herein.

### 12.3 Computer Systems.

- 12.3.1. Franchisee, at Franchisee's sole expense, shall install and maintain the Computer System and other computer hardware and software Franchisor requires for the operation of the Franchised Business and shall follow the procedures related thereto that Franchisor specifies in the Manual or otherwise in writing.
- 12.3.2. Franchisor may require Franchisee, at Franchisee's sole expense, to install and maintain systems and web-based payment processing and bookkeeping accounts that permit Franchisor to independently and electronically access and retrieve any information stored in Franchisee's Computer System and accounts, including,

without limitation, information concerning Gross Revenue. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's Computer System, other systems and web-based payment processing and bookkeeping accounts.

- 12.3.3 Any and all customer data collected or provided by Franchisee, retrieved from Franchisee's Computer System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement .
- 12.3.4 Franchisee may capture customer data only in strict accordance with Franchisor's specifications and only using those technologies and processes that are approved by Franchisor. Any and all customer data collected or provided by Franchisee, retrieved from Franchisee's Computer System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.
- 12.3.5 Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System.
- 12.3.6 Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the speed required by Franchisor from time to time. Franchisee shall use the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not establish any website or other listing on the Internet except as provided and specifically permitted herein.
- 12.3.7 Franchisor has established a website that provides information about the System and the services and products offered by the 360 Tour Designs System (the "Website"). Franchisor has sole discretion and control over the Website. Franchisor

shall include a listing on its Website of Franchisee's contact information and permit Franchisee to upload previous completed work. Franchisee has no ownership or other proprietary rights to Franchisor's Website and Franchisee will lose all rights to such listing of Franchisee's contact information upon expiration or termination of this Agreement for any reason.

- 12.3.8 In addition to Franchisee's obligations pursuant to Section 6.6 hereof, Franchisee shall pay all other fees, whether to Franchisor or to third party vendor(s), and expenses for technology required by this Agreement, including but not limited to, the costs of computer hardware and software, regularly recurring fees for software and Internet access, license fees, help desk fees, licensing or user-based fees.
- 12.3.9 Franchisee shall abide by Franchisor's data privacy policies. Nonetheless, Franchisee is solely responsible for maintaining the security and integrity of the computer and payment processing systems used in the Franchised Business and the customer and other data stored therein. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software and Internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and payment processing systems and the data stored therein from viruses, malware, privacy breaches or other unauthorized access.
- 12.4 Safety and Security. Franchisee is solely responsible for the safe and secure operation of the Franchised Business and the services provided thereby for Franchisee, Franchisee's personnel, customers, agents and the general public. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims made against Franchisor regarding safety or security.
- 12.5 Employee Background Check. Franchisee shall conduct a background review of every prospective employee's criminal history and any other histories (such as motor vehicle, medical and/or credit histories) that Franchisor requires and that Franchisee determines to be necessary and appropriate, prior to hiring. Franchisee shall not hire any prospective employee for any position involving entrance to a residence if such prospective employee's background review indicates, in Franchisee's sole discretion, a propensity for violence, dishonesty, negligent, reckless, or careless behavior, or a conviction for any crime. Notwithstanding the foregoing, all matters of employment and the safety of Franchisee's customers and their clients are within Franchisee's discretion and control. Franchisor shall not be liable to Franchisee, any employee or prospective employee of Franchisee, or any third party for any act or omission of Franchisee or any employee or agent of Franchisee, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims, demands or actions against Franchisor arising from any act or omission of Franchisee or any employee or agent of Franchisee (including, without limitation, refusal to hire or discrimination claims or claims asserted by third parties for torts allegedly committed by any employee or agent of Franchisee).

12.6 **Customer Dispute Resolution.** Franchisee acknowledges Franchisor's philosophy that exceeding customers' expectations is essential to Franchisee's success as well as the reputation and success of the System and other 360 Tour Designs franchisees and that all System franchisees shall endeavor to go above and beyond expectations and generosity in all customer dealings. Accordingly, Franchisee agrees to: (i) use its best efforts to ensure the complete satisfaction of each of Franchisee's customers; (ii) apply the highest standards of customer service and use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; (iii) respond to customer complaints in a courteous, prompt, and professional manner; (iv) use its best efforts to promptly and fairly resolve customer disputes; and (v) within twenty-four (24) hours of receiving a request from Franchisor, provide Franchisor a written summary of the dispute. If Franchisee fails to resolve a dispute with a customer, for any reason whatsoever, Franchisor, in its sole discretion and for the sole purpose of protecting the goodwill and reputation of the System and the Marks, may (but shall not be obligated to) investigate the matter and take such action as Franchisor may deem necessary or appropriate to resolve the dispute fairly and promptly, including, but not limited to, the issuance of a refund on Franchisee's behalf. Within ten (10) days after receiving notice thereof, Franchisee shall reimburse Franchisor for any amounts refunded to a customer on Franchisee's behalf. **Franchisee hereby authorizes Franchisor to take payment of refunded amounts, at Franchisor's option, through electronic funds transfer or ACH payment.** Nothing contained in this Section or any other provision of this Agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.

12.7 **Prices.** Subject to applicable law, Franchisor may recommend or set maximum prices for services and products offer by Franchisee. Franchisee shall have the right to sell its services and products at any price within Franchisor's parameters. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits.

12.8 **Unapproved Item/Suppliers.** If Franchisee desires to purchase, lease or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to using such product, service or supplier. Franchisee shall not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. Franchisor reserves the right to charge Franchisee an evaluation fee of One Hundred Dollars (\$100.00) to offset Franchisor's cost and time for evaluation, inspection and testing. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within sixty (60) days after Franchisor receives all required information to evaluate the product, service, or supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.

12.9 External Quality Assurance Services. Franchisor reserves the right to establish quality assurance programs conducted by third-party providers, including, but not limited to, customer surveys and periodic quality assurance audits (“Quality Review Services”). Upon Franchisor’s request and at Franchisee’s sole cost and expense, Franchisee shall subscribe, to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor.

12.10 Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Section 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards for some franchisees based upon the peculiarities and characteristics of the particular circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchise business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.

12.11 Operational Standards Violation. Franchisor has established certain operational standards, as set forth in the Manual. Franchisee acknowledges that any deviation from an operational standard constitutes a violation of this Agreement and will require Franchisor to incur incalculable administrative and management costs to address such violation. Accordingly, Franchisee agrees that, to compensate Franchisor for its incalculable administrative and management costs due to Franchisee’s operational standard violation, Franchisee shall pay Franchisor an Operational Standards Violation Fee, as set forth in the Manual, for each violation of an operational standard. Franchisee hereby authorizes Franchisor to take payment of the Operational Standards Violation Fee, at Franchisor’s option, through electronic funds transfer or ACH payment. Franchisor need not give Franchisee a cure opportunity before charging the Operational Standards Violation Fee, and Franchisor’s imposition of an Operational Standards Violation Fee does not preclude Franchisor from seeking injunctive relief to restrain any subsequent or continuing violation, formally defaulting and terminating this Agreement or exercising any of Franchisor’s rights under this Agreement.

### **13. ADVERTISING, PROMOTIONS AND RELATED FEES**

13.1 Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and

specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

### **13.2 Local Advertising.**

- 13.2.1** In addition to the ongoing advertising contributions set forth herein, and following the expenditures set forth in Section 13.2.3 below, Franchisee shall spend monthly, throughout the term of this Agreement, not less than Fifty Dollars (\$50.00) per month, subject to reasonable increases by Franchisor not to exceed Five Hundred Dollars (\$500.00) per month, on advertising for the Franchised Business in the Territory (“Local Advertising”). Franchisor may require Franchisee to allocate to an advertising cooperative, as described in Section 13.4, up to one-half of Franchisee’s required Local Advertising expenditures. Such allocation will be in partial satisfaction of Franchisee’s obligations pursuant to this Section 13.2.1. Franchisor reserves the right to collect some or all of Franchisee’s Local Advertising expenditure and implement Local Advertising on Franchisee’s behalf.
- 13.2.2** Within ten (10) business days of Franchisor’s request, Franchisee shall provide a quarterly expenditure report accurately reflecting Franchisee’s Local Advertising expenditures for the preceding quarterly period. The following costs and expenditures incurred by Franchisee shall **not** be included in Franchisee’s expenditures on Local Advertising for purposes of this Section, unless approved in advance by Franchisor in writing: (i) incentive programs for employees or agents of Franchisee; (ii) research expenditures; (iii) membership costs for real estate boards and associations; (iv) salaries and expenses of any of Franchisee’s personnel to attend advertising meetings, workshops or other marketing activities; (v) charitable, political or other contributions or donations.
- 13.2.3** In addition to the requirements of Section 13.2.1, Franchisee shall spend at least One Hundred Fifty Dollars (\$150.00) on Local Advertising and grand opening promotional activities within the Territory during the sixty (60) days prior to, and for ninety (90) days following, the opening of the Franchised Business to promote the opening of the Franchised Business. Franchisee shall conduct Franchisee’s grand opening campaign in accordance with plans approved by Franchisor pursuant to Section 13.3. Franchisor reserves the right to collect some or all of Franchisee’s grand opening funds and implement grand opening campaign activities on Franchisee’s behalf.

### **13.3 Brand Development Fund.**

- 13.3.1** Franchisor shall establish a national fund on behalf of the System for national advertising, marketing, and brand development (the “Brand Development Fund”). Franchisee is required to contribute One Hundred Dollars (\$100.00) per month, subject to an annual increase of ten percent (10%) on a cumulative basis (“Brand Development Fund Contribution”). Payments will be made in the same manner and time as the Royalty Fees.

- 13.3.2. Franchisor shall direct the Brand Development Fund and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Development Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchised Businesses operating under the System.
- 13.3.3. Franchisor will contribute to the Brand Development Fund on the same basis as Franchisee with respect to 360 Tour Designs outlets operated by Franchisor or Franchisor's affiliates.
- 13.3.4. Franchisor may use the Brand Development Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website; and personnel and other departmental costs for advertising that Franchisor internally administers or prepares). While Franchisor does not intend that any part of the Brand Fund will be used for advertising which is principally a solicitation for franchisees, Franchisor reserves the right to use the Brand Fund for public relations, to explain the franchise system, and/or to include a notation in any advertisement indicating "Franchises Available."
- 13.3.5. The Brand Development Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable administrative costs and overhead that Franchisor may incur in activities related to the administration and direction of the Brand Development Fund and such costs and expenses pursuant Section 13.3.4. Franchisor further reserves the right to include "Franchises Available" or similar language and contact information in advertising produced with Brand Development Fund contributions. The Brand Development Fund and its earnings shall not otherwise inure to Franchisor's benefit except that any resulting technology and intellectual property shall be deemed the property of Franchisor.
- 13.3.6. Franchisor will prepare an unaudited annual statement of the Brand Development Fund's operations and will make it available to Franchisee upon request. In administering the Brand Development Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.
- 13.3.7. Although the Brand Development Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor

will not terminate the Brand Development Fund, however, until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

13.4 **Regional Advertising.** Franchisor reserves the right to establish, in Franchisor's sole discretion, a regional advertising cooperative. If a regional cooperative is established during the term of this Agreement, Franchisee agrees to sign all documents Franchisor requests to become a member of the cooperative according to the terms of the documents. If Franchisor establishes a regional cooperative, then, in addition to required Brand Development Fund Contributions, Franchisee agrees to contribute up to one-half of Franchisee's Local Advertising requirement to the cooperative; provided, however, if a vote of the cooperative members increases the required cooperative contribution, Franchisee shall contribute such increased amount.

13.5 **Directory Listings and Social Media Accounts.** At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, and with Franchisor's prior written approval, Franchisee may do cooperative listings with other System franchisees. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, Instagram, X (Twitter), Bluesky, LinkedIn, YouTube, Threads, Tik Tok, blogs, or any other social media and/or networking site without Franchisor's prior written approval, and use of any social media accounts shall be in strict accordance with Franchisor's requirements. Franchisee shall provide Franchisor with all passwords and administrative rights to any and all social media accounts for the Franchised Business, and Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking whatever action as is necessary for the best interest of the System, if Franchisee fails to maintain such accounts in accordance with Franchisor's standards. Franchisee is specifically prohibited from using Franchisee's, Principal(s)', or any other individual's or entity's personal social media accounts to promote the Franchised Business.

13.6 **Social Media Use.** Franchisee may not maintain any business profile on Facebook, Instagram, Twitter, LinkedIn, YouTube, TikTok or any other social media and/or networking site except in strict accordance with Franchisor's requirements, as follows:

13.6.1 Franchisee shall provide Franchisor with all passwords and administrative rights to any and all social media accounts for the Franchised Business, and Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking whatever action as is necessary for the best interest of the System, if Franchisee fails to maintain such accounts in accordance with Franchisor's standards.

13.6.2 Franchisee shall pay Franchisor an Initial Social Media Management Fee of Fifty Dollars (\$50.00) per month, for the first three (3) months following the Opening Date, to create Franchisee's social media accounts for the Franchised Business and provide content therefor. Commencing Month 4 and for each remaining month of

the Term, Franchisee shall maintain Franchisee's social media accounts, which includes (i) completion of Franchisor's social media training course, at Franchisee's sole cost and expense, prior to the commencement of Month 4 and (ii) multiple daily postings on social media accounts, in accordance with Franchisor's specifications. Franchisee will be responsible for paying the then current Monthly Social Media Fee upon reaching month 3 of their franchised business. With the payment of this fee, the Franchisor will provide curated content for their social media accounts. At Franchisee's option and payment to Franchisor of the then-current monthly Continuing Social Media Management Fee, Franchisee may delegate maintenance of Franchisee's social media accounts to Franchisor. Payment of the Initial Social Media Management Fee and Continuing Social Media Management Fee, if applicable, will be made in the same manner and time as the Royalty Fees.

13.7 Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic, or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within ten (10) business days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such plans and materials shall be deemed "disapproved". Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor in writing and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for the 360 Tour Designs brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

## 14. INTELLECTUAL PROPERTY

### 14.1 Ownership.

14.1.1. Franchisee expressly understands and acknowledges that Franchisor and/or Franchisor's affiliate(s) are the record owner of the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Franchisor's affiliate(s) claim copyrights on certain material used in the System, including but not limited to its website, documents, advertisements, photographs, social media content, promotional materials, proprietary software, and the Operations Manual, whether or not Franchisor and/or Franchisor's affiliate(s) have filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and

proprietary systems are hereafter collectively referred to as the “Intellectual Property”.

- 14.1.2. As between Franchisor and Franchisee, Franchisor and/or Franchisor’s affiliate(s) are the owner of all right, title and interest in and to the Intellectual Property and the goodwill associated with and symbolized by them.
- 14.2 No Interference. Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the validity of Franchisor’s and/or Franchisor’s affiliate(s)’s rights with respect to the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor’s and/or Franchisor’s affiliate(s)’s service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only at or from the Franchised Business office premises or in approved advertising related to the Franchised Business.
- 14.3 Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee’s use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor and/or Franchisor’s affiliate(s), and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee’s use of the Intellectual Property.
- 14.4 Validity. Franchisee shall not contest the validity of, or Franchisor’s and/or Franchisor’s affiliate(s)’s interest in, the Intellectual Property or assist others to contest the validity of, or Franchisor’s and/or Franchisor’s affiliate(s)’s interest in, the Intellectual Property.
- 14.5 Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor’s and/or Franchisor’s affiliate(s)’s rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor and/or Franchisor’s affiliate(s) with all assignments, affidavits, documents, information and assistance Franchisor and/or Franchisor’s affiliate(s) reasonably requests to fully vest in Franchisor and/or Franchisor’s affiliate(s) all such rights, title and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor and/or Franchisor’s affiliate(s) to register, maintain and enforce such rights in the Intellectual Property.
- 14.6 Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if it in its sole discretion, determines that substitution of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any additions, modifications, substitutions or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.

14.7 Franchisee's Use of the Intellectual Property. With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee further agrees that:

- 14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Marks "360 Tour Designs" and design. Franchisee shall not use the Marks, or any portions, variations, or derivatives thereof, as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "a franchisee of 360 Tour Designs Franchising, LLC".
- 14.7.2. Franchisee shall identify itself as the owner of the Franchised Business and as an independent 360 Tour Designs franchisee in conjunction with any use of the Intellectual Property, including, but not limited to, uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous location upon the office and vehicle(s), as directed by Franchisor, used in the Franchised Business, as Franchisor may designate in writing.
- 14.7.3. Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor.
- 14.7.4. Any item offered by Franchisee that contains the Marks, must be approved by Franchisor in writing prior to being distributed or sold by Franchisee and such approval may be granted or denied in Franchisor's sole and absolute discretion.

14.8 Claims. Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge, or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement.

14.9 Franchisor may use and grant franchises and licenses to others to use the Intellectual Property and the System and to establish, develop and franchise other systems, different from the System licensed to Franchisee herein, without offering or providing Franchisee any rights in, to or under such other systems and Franchisor may modify or change, in whole or in part, any aspect of the Intellectual Property or the System, so long as Franchisee's rights thereto are in no way materially harmed thereby.

14.10 Franchisee shall not register or attempt to register the Intellectual Property in Franchisee's name or that of any other person, firm, entity, or corporation.

## **15. INSURANCE AND INDEMNIFICATION**

15.1 Procurement. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, insurance policies protecting Franchisee and Franchisor, and naming Franchisor, its officers, directors, partners, owners, employees and affiliates as additional insureds as their interests may appear, in the following minimum limits (except as additional coverage and higher policy limits may reasonably be specified from time to time in the Manual or otherwise in writing):

15.1.1. Liability. Comprehensive general liability insurance, including errors and omissions coverage, personal and advertising injury coverage, and drone liability coverage in the form of a general liability rider or as a separate policy, in the amount of at least One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate;

15.1.2. Employment. Worker's compensation coverage in the limits required by state law, employment practices/abuse, and employee dishonesty insurance with third-party coverage in the amount of at least Ten Thousand Dollars (\$10,000.00), shall be carried on all of Franchisee's employees, as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located and operated;

15.1.3. Property. Fire, vandalism and extended coverage insurance with primary and excess limits of not less than Fifty Thousand Dollars (\$50,000.00) or such higher amount to cover the full replacement value of the equipment, computer systems, vehicles and other personal property of the Franchised Business;

15.1.4. Business. Business interruption insurance in an amount no less than the greater of (i) One Hundred Thousand Dollars (\$100,000.00) or (ii) an amount necessary to satisfy Franchisee's obligations under this Agreement for a minimum period of six (6) months;

15.1.5. Automobile Insurance. Prior to operation of any vehicle on behalf of the Franchised Business, Franchisee must obtain comprehensive automobile liability insurance in

the amount of at least a combined single limit for bodily and property damage of Five Hundred Thousand Dollars (\$500,000.00), or greater if required by state law;

15.1.6 Electronic Data Processing. Coverage for damage or loss of electronic and computer equipment, media and data in an amount of not less than Ten Thousand Dollars (\$10,000.00); and

15.1.7 Identity Theft, Forgery or Alteration. Coverage for identify forgery, alteration or theft in an amount of at least Two Thousand Five Hundred Dollars (\$2,500.00) per loss and Two Thousand Five Hundred Dollars (\$2,500.00) for expenses.

15.2 Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the required coverages. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder.

15.3 Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement as revised from time to time for all franchisees by the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof together with an administrative fee of ten percent (10%) for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.

15.4 Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the required minimum requirements for any type of insurance or add additional types of insurance requirements as Franchisor deems reasonably prudent to require. Within thirty (30) days of any such required new limits or types of coverage, Franchisee must submit proof to Franchisor of Franchisee's coverage pursuant to Franchisor's requirements.

15.5 Additional Insured. All required insurance policies shall name Franchisor and their affiliates and their members, officers, agents and employees as additional insureds as their interests may appear. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's servants, agents or employees. Franchisee's servants, agents or employees, and all required insurance policies shall contain a waiver of subrogation in favor of the additional insureds.

15.6 Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS 360 TOUR DESIGNS FRANCHISING, LLC, 360 TOUR DESIGNS IP, LLC, 360 TOUR DESIGNS HOLDING, LLC, 360 TOUR DESIGNS & MARKETING, LLC, AND ANY OF THEIR PARENT COMPANIES, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR

DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND SHAREHOLDERS (COLLECTIVELY REFERRED TO AS THE “FRANCHISOR PARTY INDEMNITEES”), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO FRANCHISEE’S FRANCHISE AND/OR THE OPERATION THEREOF, INCLUDING BUT NOT LIMITED TO, ANY CLAIM IN CONNECTION WITH FRANCHISEE’S EMPLOYEES OR AGENTS; FRANCHISEE’S COMPUTER SYSTEMS; FRANCHISEE’S PROVISION OF SERVICES, INCLUDING ANY CLAIMS RELATED TO A CUSTOMER’S PREMISES; THE FRANCHISED BUSINESS PREMISES; OR FRANCHISEE’S ADVERTISING OR BUSINESS PRACTICES. FRANCHISEE AGREES TO PAY FOR ALL THE FRANCHISOR PARTY INDEMNITEES’ LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS’ FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE FRANCHISOR PARTY INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE FRANCHISOR PARTY INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE FRANCHISOR PARTY INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE FRANCHISOR PARTY INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE FRANCHISOR PARTY INDEMNITEES.

---

Initial

## **16. TRANSFERS**

### **16.1 Transfers by Franchisor.**

16.1.1 Franchisor shall have the right to assign this Agreement, and all of Franchisor’s rights and privileges hereunder, to any person, firm, corporation or other entity, without Franchisee’s permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor’s obligations, the assignee shall expressly assume and agree to perform Franchisor’s obligations hereunder. Specifically, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor’s assets and Franchisor’s rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor’s securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain

in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

- 16.1.2 Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Franchisee acknowledges may be within the Territory, proximate thereto, or proximate to any of Franchisee's locations).
- 16.1.3 If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the residential and commercial real estate business or to offer or sell any products or services to Franchisee.

16.2 Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principal(s) of the business as they exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

16.3 Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business, or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a Transfer restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:

- 16.3.1 The proposed transferee and all its principals must have the demeanor and be individuals of good character and otherwise meet Franchisor's then-applicable standards for franchisees.
- 16.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;
- 16.3.3 The transferee has agreed to complete Franchisor's Initial Management Training Program to Franchisor's satisfaction;

- 16.3.4 Franchisee has paid all amounts owed to Franchisor and third-party creditors;
- 16.3.5 The transferee has executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;
- 16.3.6 Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;
- 16.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer; and
- 16.3.8 If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor.

16.4 Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee equal to seventy-five percent (75%) of the then-current initial franchise fee; provided however, (i) for transfers to an existing franchisee in good standing with Franchisor, the transfer fee is fifty percent (50%) of the then-current initial franchise fee, (ii) for transfers of ownership interest among existing principals, shareholders or members, or to add a business entity or new shareholder or member of the Franchisee entity and such transfer does not change management control of the Franchise, the transfer fee is One Thousand Five Hundred Dollars (\$1,500.00), and (iii) for a transfer to a spouse, parent or child upon death or permanent disability of Franchisee or Franchise's Principal, as the case may be, the transfer fee is Three Thousand Five Hundred Dollars (\$3,500.00).

16.5 Entity Formation Documents. The By-Laws of a corporation or Operating Agreement of a limited liability company of a Franchisee that is an entity must state that (i) the issuance and assignment of any interest in Franchisee are restricted by this Article 16; (ii)

Franchisee may conduct no business except the operation of a Franchised Business pursuant to the terms of this Agreement; (iii) transfers of interests in Franchisee are subject to the terms of this Agreement governing transfers; and (iv) stock or member certificates will contain a legend so indicating.

**16.6 Franchisor's Right of First Refusal.**

- 16.6.1 If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or if a Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such Principal shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.
- 16.6.2 Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in Franchisee for the price and on the terms and conditions contained in the offer, subject to Section 16.6.3.
- 16.6.3 Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor's credit will be deemed equal to the credit of any proposed transferee; (iv) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.
- 16.6.4 If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

**16.7 Death or Permanent Disability.** The grant of rights under this Agreement is personal to Franchisee, and on the death or permanent disability of Franchisee or any of Franchisee's Principals, the executor, administrator, conservator or other personal representative of Franchisee or Principal, as the case may be, shall be required to transfer Franchisee's or Principal's interest in this Agreement within six (6) months from the date of death or permanent disability to a third party approved by Franchisor. Failure to transfer in accordance with the forgoing will constitute a material default and the Franchise granted by this Agreement will terminate. A transfer under this Section 16.7, including without

limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 16 and unless transferred by gift, devise or inheritance, subject to the terms of Section 16.6 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Franchisee's Franchised Business during the six (6)-month period from its onset.

Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management for a fee equal to the then-current interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.

16.8 **Effect of Consent to Transfer.** Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee's Principals nor waive its right to demand that the transferee comply strictly with this Agreement.

16.9 **Security Interests to Lender.** If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the assets of the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions. Notwithstanding the foregoing, in the event Franchisee obtains financing whereby funding is provided with the assistance of the United States Small Business Administration ("SBA Financing"), Franchisee shall be permitted to grant the lender of such SBA Financing a senior lien on any collateral Franchisee uses to secure the SBA Financing, and Franchisor agrees to (i) subordinate its interest in any lien on Franchisee's collateral to that of the lender of the SBA Financing and (ii) waive the requirement of the written acknowledgement referenced in this Section.

## **17. DEFAULTS**

17.1 **Default and Automatic Termination.** Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee or Principal shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee or Principal files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing an inability to pay debts when due; or if Franchisee or Principal is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee or Principal under any section or chapter of federal

bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or Principal or other custodian for Franchisee's business or assets is filed and consented to by Franchisee or Principal; or if a receiver or other custodian (permanent or temporary) of Franchisee's or Principal's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee or Principal; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's or Principal's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.

17.2 Defaults with No Opportunity to Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

- 17.2.1 has misrepresented or omitted material facts in applying for the Franchise;
- 17.2.2 fails to obtain all required licenses and permits before opening or to open the Franchised Business within the time and in the manner specified in Article 8.
- 17.2.3 ceases to operate the Franchised Business for a period of five (5) days or more;
- 17.2.4 fails to comply with any federal, state or local law, rule or regulation, applicable to the operation of the Franchised Business, including, but not limited to, the failure to pay taxes;
- 17.2.5 understates Gross Revenue on two (2) occasions or more, whether or not cured on any or all of those occasions;
- 17.2.6 fails to comply with the covenants in Article 15;
- 17.2.7 permits a Transfer in violation of the provisions of Article 16 of this Agreement;
- 17.2.8 fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.
- 17.2.9 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything to harm the reputation of the System or the goodwill associated with the Marks;
- 17.2.10 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or

similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

- 17.2.11 conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;
- 17.2.12 creates a threat or danger to public health or safety from operation of the Franchised Business;
- 17.2.13 refuses to permit Franchisor to inspect or audit Franchisee's books or records;
- 17.2.14 makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);
- 17.2.15 fails to comply with the non-competition covenants in Section 19.5;
- 17.2.16 defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the term of this Agreement or has been given at least two (2) notices of default in any consecutive twelve (12)-month period, whether or not the defaults have been corrected;
- 17.2.17 has insufficient funds to honor a check or electronic funds transfer two (2) or more times within any consecutive twelve (12)-month period;
- 17.2.18 defaults, or an affiliate of Franchisee defaults, under any other agreement, including any other franchise agreement, with Franchisor or any of its affiliates, or suppliers and does not cure such default within the time period provided in such other agreement;
- 17.2.19 fails to meet Minimum Performance Standards; or
- 17.2.20 terminates this Agreement without cause.

17.3 **Curable Defaults.** Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Franchisee fails to cure the default within the time period set forth in this Section 17.3, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)-month period, and the third such late payment in any twelve (12)-month period shall be a non-curable default under Sections 17.2.16 and/or 17.2.17;

17.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)-month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 17.2.16.

17.4 Franchisor's Cure of Franchisee's Defaults. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may, but has no obligation to:

17.4.1 effect a cure on Franchisee's behalf and at Franchisee's expense, and Franchisee shall immediately pay Franchisor the costs incurred by Franchisor upon demand; or

17.4.2 exercise complete authority with respect to the operation of the Franchise Business until such time as Franchisor determines that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control and operate the Franchised Business. In addition to all other fees payable under this Agreement, Franchisee shall pay Franchisor a fee for interim management equal to the then-current interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, until the default has been cured and Franchisee is complying with the terms of this Agreement.

17.5 Notice to Suppliers. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with five (5) days' prior written notice to Franchisee, to direct suppliers to stop furnishing any and all products and services, including, but not limited to products and services sold under Franchisor's discounted pricing schedules, until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, customer goodwill, profits or other business arising from Franchisor's actions and the actions of suppliers.

17.6 Reimbursement of Costs. Franchisee shall reimburse Franchisor all costs and expenses, including but not limited to attorneys' fees, incurred by Franchisor as a result of Franchisee's default, including costs in connection with collection of any amounts owed to Franchisor and/or enforcement of Franchisor's rights under this Agreement.

## 18. POST-TERMINATION

18.1 Franchisee's Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Franchisee shall immediately terminate and Franchisee and each Principal shall:

18.1.1 immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly identify himself, herself or itself as a current 360 Tour Designs owner, franchisee or licensee;

18.1.2 immediately and permanently (i) cease to use the Marks, any imitation of any Mark, logos, copyrighted material, or other intellectual property, confidential or proprietary material, (ii) cease to use any trade name, trade or service mark or other commercial symbol that suggests a current or past association with Franchisor, Franchisor's affiliates, or the System and (iii) de-identify the Storage Facility and Service Vehicle(s). In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, forms, and any other articles, which display the Marks;

18.1.3 take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;

18.1.4 promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, fixtures, and inventory or other business assets owned by Franchisee at the time of default;

18.1.5 pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;

18.1.6 immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, all confidential, proprietary and copyrighted material and all other materials related to operation of the Franchised Business, including but not limited to customer lists and records, (all of which are acknowledged to be Franchisor's property), delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties

and any other documents that Franchisee reasonably needs for compliance with any provision of law;

18.1.7 comply with the non-disclosure and non-competition covenants contained in Article 19.

**18.2. Right to Purchase.**

18.2.1 Franchisor shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the equipment (including any computer systems and vehicles), signs, fixtures, advertising materials, supplies, and inventory of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less. Franchisor shall purchase Franchisee's assets free and clear of any liens, charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and shall split the appraisal fees equally. If Franchisor elects to exercise its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.

18.2.2 With respect to the option described in Section 18.2.1, Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.2.3 Franchisor shall be entitled to assign any and all of its option in Section 18.2.1 to any other party, without the consent of Franchisee.

18.3 Assignment of Communications. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchised Business and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media and internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses or any other similar listing or usage related to the

Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 11.7, Franchisee shall provide Franchisor with all passwords and administrative rights, and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, electronic mail addresses, social media accounts or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

18.4 Survival. The rights and obligations of the parties contained in this Article 18 shall survive the expiration or sooner termination of this Agreement.

## **19. NON-DISCLOSURE AND NON-COMPETITION COVENANTS**

### **19.1 Operations Manual**

19.1.1 Franchisor has provided to Franchisee, on loan, a current copy of the Manual. The Manual may be in hard copy or made available to Franchisee in digital, electronic, or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) are provided in a form other than physical copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.

19.1.2 Franchisee and all Principals shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Franchisee's Principal(s) shall not divulge and make such materials available to anyone other than those of Franchisee's employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms, and conditions under which it is permitted to use Franchisor's intellectual, proprietary, and confidential information; and shall ensure its employees' compliance with such restrictions, terms, and conditions. Franchisee, Franchisee's Principal(s), and any person working with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent.

19.1.3 The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor's confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies, and return and cease using any physical copy of the Manual and other confidential and proprietary materials to Franchisor immediately upon request or upon transfer, termination or expiration of this Agreement.

19.1.4 Franchisor may from time to time revise the contents of the Manual and other materials created or approved for use in the operation of the Franchised Business. Franchisee expressly agrees to comply with each new or changed policy, standard or directive. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor shall control.

19.1.5 If Franchisee loses, misplaces, or otherwise requests a physical copy of the Manual, Franchisor, in its discretion, may provide such physical copy and Franchisee shall pay Franchisor the then-current replacement fee.

19.2 **Confidential Information.** Franchisee along with its Principal(s) acknowledge and accept that during the term of this Agreement, Franchisee and any Principal will have access to Franchisor's trade secrets, including, but not limited to, methods, processes, **customer lists, vendor partnerships and/or relationships, sales and technical information, costs, pricing, software tools and applications, website and/or email design,** products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Franchisee and Principal(s) covenant and agree that Franchisee and Principal(s) shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information that may be communicated to Franchisee or any Principal or of which Franchisee or any Principal may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and any Principal shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements

containing the same provisions as contained in this Agreement, in accordance with Section 19.10 hereof. Franchisee and any Principal shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent. The covenants in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

19.3 Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.

19.4 New Concepts. If Franchisee or Principal(s) develops any new concept, process, product, service, or improvement in the operation or promotion of the Franchised Business ("Improvements"), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products, or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and Principal(s) acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate. Franchisee acknowledges and agrees that nothing in this Section 19.4 permits Franchisee to test, introduce, provide, or otherwise offer any Improvements to customers, or use any Improvement in the operation of the Franchised Business, unless and until Franchisor consents to the use of the Improvement for such purpose.

19.5 Noncompetition Covenants. Franchisee and each Principal specifically acknowledge that, pursuant to this Agreement, Franchisee and each Principal will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee, each Principal and Franchisee's employees. Franchisee and each Principal acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and each Principal are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and each Principal covenant that, except as otherwise approved in writing by Franchisor:

19.5.1 During the term of this Agreement, Franchisee and each Principal shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business, customer or referral source of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other

capacity in any real estate and property imagery business similar to the System; or or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any 360 Tour Designs franchisees or Franchisor-affiliated outlets.

19.5.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principals shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business, customer or referral source of the Franchised Business, Franchisor or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any real estate and property imagery business within fifty (50) miles of the Territory or within fifty (50) miles of any 360 Tour Designs office location; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any 360 Tour Designs franchisees.

19.6 Reasonableness of Restrictions. Franchisee and each Principal acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchisee or Principal(s), since Franchisee or Principal(s), as the case may be, have other considerable skills, experience and education which afford Franchisee or Principal(s), as the case may be, the opportunity to derive income from other endeavors.

19.7 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Paragraph 19 or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.

19.8 Injunction. Franchisee and Principal(s) acknowledge that a violation of the covenants of confidentiality and non-competition contained in this Agreement would result in immediate and irreparable injury to Franchisor for which monetary damages cannot fully remedy. Accordingly, Franchisee and Principal(s) hereby consent to the entry of a temporary and permanent injunction prohibiting any conduct by Franchisee or Principal(s) in violation of the terms of the covenants set forth in this Article 19 and hereby agree to waive any and all defenses to the entry of such injunction(s). Notwithstanding, Franchisee and Principal(s) acknowledge and agree that the foregoing

injunctive relief is in addition to, and does not restrict Franchisor from pursuing, any and all claims for monetary damages resulting from a breach by Franchisee or Principal(s) of the covenants contained herein.

19.9 **No Defense.** Franchisee and each Principal expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

19.10 **Covenants of Employees, Agents and Third Persons.** Franchisee shall require and obtain execution of covenants similar to those set forth in this Article 19 (including covenants applicable upon the termination of a person's employment with Franchisee) from all employees, contractors or third persons who will have access to Franchisor's proprietary and Confidential Information, and Franchisee shall provide Franchisor with executed versions thereof. Such covenants shall be substantially in the form set forth in Attachment 8 as revised and updated from time to time and contained in the Operations Manual. Franchisee shall indemnify and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of Franchisee's failure to obtain executed restricted covenants by employees, agents and third persons as required by this Section.

## **20. DISPUTE RESOLUTION**

20.1 **Internal Dispute Resolution.** Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 21.7 below, Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

20.2 **Mediation.** At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 20.1 hereof shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

20.3 **Arbitration.**

20.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 20.4, any dispute between Franchisor and Franchisee and/or any Principal arising out of or relating to this Agreement, the Exhibits hereto or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections 20.1 or 20.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

20.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) and the federal common law of arbitration. All hearings and other proceedings will take place in Cumberland County, Pennsylvania, or the offices of the American Arbitration Association, or, if Franchisor so elects, in the county where the principal place of business of Franchisee is then located.

20.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Franchisee, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.

20.3.4 The provisions of this Section 20.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

20.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify, or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone, or rescind the effectiveness of any termination of this Agreement.

20.3.6 Except as expressly required by law, Franchisor, Franchisee and any Principal shall keep all aspects of any mediation and/or arbitration proceeding in confidence, and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

20.4 Exceptions. Notwithstanding the requirements of Sections 20.2 or 20.3, the following claims shall not be subject to mediation or arbitration:

20.4.1 Franchisor's claims for injunctive or other extraordinary relief;

20.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;

20.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks;

20.4.4 disputes and controversies relating to actions to obtain possession of the premises of the Franchised Business; and

20.4.5 enforcement of Franchisee's post-termination obligations, including but not limited to, Franchisee's non-competition covenants.

20.5 Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the Commonwealth of Pennsylvania. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the Commonwealth of Pennsylvania. Franchisee and its Principals, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Pennsylvania. Franchisee and its Principal(s) hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.

20.6 Mutual Benefit. Franchisee, each Principal, if any, and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principal(s), and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

20.7 Waiver of Jury Trial and Certain Damages. Franchisee and each Principal hereby waive, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Franchisee and Principal(s) agree that in the event

of a dispute, Franchisee and each Principal shall be limited to the recovery of any actual damages sustained.

- 20.8 Injunctive Relief. Nothing herein contained (including, without limitation, Sections 20.1 through 20.5 above) shall bar Franchisor from the right to obtain immediate injunctive relief from any court of competent jurisdiction against threatened conduct by Franchisee that may cause Franchisor loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.
- 20.9 Limitations of Claims. Any and all claims asserted by Franchisee arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Franchisee knew or should have known of the facts giving rise to such claims.
- 20.10 Attorneys' Fees. In the event of any action in law or equity by and between Franchisor and Franchisee concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney's fees and court costs incurred.
- 20.11 Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

## **21. GENERAL.**

### **21.1 Relationship of the Parties.**

- 21.1.1 Independent Licensee. Franchisee is and shall be an independent licensee under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation, or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Franchisee which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Franchisee's operation of the Franchised Business. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of

claims, demands, taxes, costs, or judgments against Franchisor arising out of any allegation of an agent, partner, or employment relationship.

21.1.2 No Relationship. Franchisee acknowledges and agrees that Franchisee alone exercises day-to-day control over all operations, activities, and elements of the Franchised Business, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never claim otherwise, that the various restrictions, prohibitions, specifications, and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in Franchisor's Operations Manual or otherwise, does not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising control of the day-to-day operations of the Franchised Business.

21.1.3 Franchisee's Employees. Franchisor has no authority to control, either directly or indirectly, the essential terms and conditions of employment of Franchisee's employees. Franchisee acknowledges and agrees that Franchisee, in Franchisee's sole and absolute discretion, shall determine all such essential terms and conditions of employment, which are defined in the Operations Manual or otherwise defined by law. Franchisee specifically agrees that any training Franchisor provides for Franchisee's employees is geared to impart to those employees, with Franchisee's ultimate authority, the various procedures, protocols, systems, and operations of a 360 Tour Design outlet pursuant to the System and in no fashion reflects any employment relationship between Franchisor and such employees. If ever it is asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agree to assist Franchisor in defending said allegation, appearing at any venue requested by Franchisor to testify on Franchisor's behalf participate in depositions, other appearances or preparing affidavits rejecting any assertion that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees.

21.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principals in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.

21.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the

prohibition without in any way invalidating or altering any other provision of this Agreement.

21.4 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and any Principal shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Franchisee, if more than one person is so named.

21.5 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

21.6 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as set forth in the introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.

21.7 Effect of Waivers. No waiver, delay, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof at any place other than in the Territory shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use to the Territory.

21.8 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Articles 17 and 18 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

21.9 Consent to Do Business Electronically. This Agreement is made in the Commonwealth of Pennsylvania. The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the Commonwealth of Pennsylvania, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement and its Attachments, and by attaching their signature electronically to the Franchise Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on an electronic signature as the respective party's signature.

21.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

21.11 Survival. Any obligation of Franchisee or any Principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.

21.12 Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except that nothing herein is intended to disclaim any representations made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

*Remainder of Page Intentionally Blank*

The parties hereto have executed this Franchise Agreement on the day and year first above written.

FRANCHISOR:

360 TOUR DESIGNS FRANCHISING, LLC

By: \_\_\_\_\_

Greg Drake, CEO  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

## ATTACHMENT 1

### TRADEMARKS

Character Mark –

360 Tour Designs

Service Mark –



**ATTACHMENT 2**

**TERRITORY DESCRIPTION AND INITIAL FEE**

Territory (insert map and/or define by zip codes):

Notwithstanding any change in population during the Term, the Territory shall not extend beyond the boundaries set forth above.

## ATTACHMENT 3

### ANNUAL MINIMUM PERFORMANCE STANDARDS

Franchisee shall attain a minimum Gross Revenue for each year of the Term and any renewal thereof, as follows:

<b>Territory Population</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5 (and renewal term)</b>
up to 500,000	None	\$60,000	\$120,000	\$180,000	\$240,000

## ATTACHMENT 4

### **AUTHORIZATION AGREEMENT** **AUTOMATIC DEPOSITS (ACH WITHDRAWALS)**

Franchisor Name: **360 Tour Designs Franchising, LLC**

I (We) hereby authorize 360 Tour Designs Franchising, LLC, hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account (Select One) indicated below at the depository financial institution named below, and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law, and that I will be responsible for any banking fees that my institution charges.

Financial Institution Name: \_\_\_\_\_ Branch: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

ACH/Routing Number: \_\_\_\_\_ Account Number: \_\_\_\_\_  
(Nine Digits)

This authorization is to remain in full force and effect until Franchisor has received a written replacement ACH Withdrawal Form notification from me. I (We) understand that revocation of this Authorization Agreement by me (us) may constitute an event of Default under the Franchise Agreement.

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 6 and 18 of the Franchise Agreement.

\_\_\_\_\_  
Print Franchisee / Account Holder Name

\_\_\_\_\_  
Print Franchisee/Co-Account Holder Name

\_\_\_\_\_  
Franchisee/ Account Holder Signature-Date

\_\_\_\_\_  
Franchisee/Co-Account Holder Signature-Date

\_\_\_\_\_  
Daytime Phone Number

\_\_\_\_\_  
Email Address

#### **PLEASE ATTACH A VOIDED CHECK TO THIS FORM**

**Please Return Form to:**

360 TOUR DESIGNS FRANCHISING, LLC  
355 North 21st Street, Suite 105  
Camp Hill, Pennsylvania 17011

**ATTACHMENT 5**

**STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE/ENTITY**

**Name**

**Percentage of Ownership**

## ATTACHMENT 6

### GUARANTY

This Guaranty and Covenant (this "Guaranty") is given by the undersigned ("Guarantor") on \_\_\_\_\_, (the "Effective Date") to 360 Tour Designs Franchising, LLC, a Pennsylvania limited liability company ("Franchisor"), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the "Franchisee Agreement") with \_\_\_\_\_, a(n) \_\_\_\_\_ and \_\_\_\_\_ (collectively "Franchisee").

Guarantor acknowledges that Guarantor is the spouse of Franchisee's Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-disclosure and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, 19.5, 19.6, 19.8 and 19.9 of the Franchise Agreement ("Guaranteed Obligations"). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

**GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:**

---

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

---

## ATTACHMENT 7

### **INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT**

**THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT** (the “Agreement”) is made and entered into this day of \_\_\_\_\_ (the “Effective Date”), by and between 360 Tour Designs Franchising, LLC a Pennsylvania limited liability company with its principal place of business at 355 North 21st Street, Suite 105, Camp Hill, Pennsylvania 17011 (the “Franchisor”), and \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_ and \_\_\_\_\_ ‘s principal(s), \_\_\_\_\_, an individual, residing at \_\_\_\_\_, and \_\_\_\_\_, an individual, residing at \_\_\_\_\_ (“Principal(s)”). \_\_\_\_\_ and Principal(s) shall be collectively referred to in this Agreement as the “Franchisee”.

**WHEREAS**, Franchisee desires to enter into a franchise agreement with Franchisor for an 360 Tour Designs business (“Franchise Agreement”) which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, use software, and use telephone listings linked to the 360 Tour Designs brand.

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

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

#### 1. **Definitions**

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

#### 2. **Internet Advertising and Telephone Listings**

2.1 **Interest in Web Sites, Social Media Accounts, Other Electronic Listings and Software**. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet web sites, the right to hyperlink to certain web sites and listings on various internet search engines, and the right to use certain software (collectively, “Electronic Advertising and Software”) related to the Franchised Business or the Marks.

2.2 **Interest in Telephone Numbers and Listings**. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, other listing agencies and software companies (collectively, the “Internet and Software Companies”) with which Franchisee has Electronic Advertising and Software: (i) to transfer all of Franchisee’s interest in such Electronic Advertising and Software to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising and Software, Franchisee will immediately direct the Internet and Software Companies to terminate such Electronic Advertising and Software or will take such other actions with respect to the Electronic Advertising and Software as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Listings: (i) to transfer all Franchisee’s interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

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

2.4.1 Direct the Internet and Software Companies to transfer all Franchisee’s interest in and to the Electronic Advertising and Software to Franchisor, or alternatively, to direct the Internet and Software Companies to terminate any or all of the Electronic Advertising and Software;

2.4.2 Direct the Telephone Companies to transfer all Franchisee’s interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet and Software Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee’s interest.

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

2.6 Cessation of Obligations. After the Internet and Software Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and Software and/or Telephone Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet and Software Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

### 3. Miscellaneous

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

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

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

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

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

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

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

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the Commonwealth of Pennsylvania, without regard to the application of Pennsylvania conflict of law rules.

-Remainder of Page Intentionally Blank-

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

FRANCHISOR:

**360 TOUR DESIGNS FRANCHISING, LLC**

By: \_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

## ATTACHMENT 8

### CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, a(n) \_\_\_\_\_ ("Franchisee"), a franchisee of 360 Tour Designs Franchising, LLC a Pennsylvania limited liability company ("Franchisor"), and \_\_\_\_\_, an individual ("Covenantor") in connection with a Franchise Agreement dated \_\_\_\_\_.

**WHEREAS**, Franchisee and Franchisor are parties to a franchise agreement dated \_\_\_\_\_, 20\_\_\_\_ (the "Franchise Agreement"), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the registered trademark "360 Tour Designs" and design mark, and certain proprietary products, services, promotions and methods (the "System") for the establishment and operation of a 360 Tour Designs franchise (the "Franchised Business");

**WHEREAS**, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of the 360 Tour Designs operations manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as "Confidential Information");

**WHEREAS**, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;

**WHEREAS**, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

**WHEREAS**, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

#### **1. Confidentiality Agreement.**

**a.** Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.

**b.** Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

**c.** Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.

**d.** Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

**e.** Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

**f.** Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.

**2. Covenants Not to Compete.**

**a.** In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business, customer or referral source of the Franchised Business or of other 360 Tour Designs franchisees in the System to any competitor, by direct or indirect inducement or otherwise,

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any real estate and property imagery business substantially similar to the System.

**b.** In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business, customer or referral source of the Franchised Business or of other franchisees in the 360 Tour Designs System to any competitor, by direct or indirect inducement or otherwise,

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any real estate and property imagery business within the within fifty (50) miles outside of the boundaries of the Franchisee's Territory or within fifty (50) miles of any 360 Tour Designs office location.

**c.** The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

**d.** If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

**3. General.**

**a.** Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

**b.** Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made

available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

c. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

d. Any failure Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

e. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF PENNSYLVANIA. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY THE LAWS OF SUCH STATE OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN THE COMMONWEALTH OF PENNSYLVANIA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

f. The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

g. Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

h. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

i. All notices and demands required to be given hereunder shall be in writing and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

---

---

If directed to Covenantor:

---

---

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

**j.** Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor's obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

**k.** The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE:

---

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

COVENANTOR:

---

Name: \_\_\_\_\_

## ATTACHMENT 9

### GENERAL RELEASE

This release (the "Release") is given this day of \_\_\_\_\_ by \_\_\_\_\_  
\_\_\_\_\_, a(n) \_\_\_\_\_, with its principal place of business located  
at \_\_\_\_\_ ("Franchisee") and \_\_\_\_\_'s principals \_\_\_\_\_  
\_\_\_\_\_, an individual residing at \_\_\_\_\_ and \_\_\_\_\_  
("Principal(s)").

Franchisee and Principal(s), on behalf of themselves and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the "Franchisee Releaseors"), hereby release, discharge and hold harmless 360 Tour Designs Franchising, LLC ("Franchisor"), and Franchisor's parents, subsidiaries, affiliates, officers, directors, members, shareholders, employees, agents, attorneys, successors, and assigns (collectively, the "Franchisor Releasees") from any suits, claims, controversies, rights, promises, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected arising under, relating to, or in connection with the Franchise Agreement dated \_\_\_\_\_  
between Franchisee and Franchisor and any related agreements and the relationship created thereby, or the Franchised Business operated under the Franchise Agreement, or any claims or representations made relative to the sale of the franchise to operate such Franchised Business or under any federal or state franchise or unfair or deceptive trade practice laws, which any of the Franchisee Releaseors now own or hold or have at any time heretofore owned or held against the Franchisor Releasees (collectively, the "Franchisee Released Claims").

FRANCHISEE AND PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASEORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASEORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. The Franchisee Releaseors also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Franchisor Releasees with respect to any Franchisee Released Claim, and Franchisee and Principal(s) shall defend, indemnify and hold harmless each of Franchisor Releasees against same.

**[Washington Residents]:** A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the franchise agreement is in effect and where the franchisee is represented by independent counsel. *See* RCW 19.100.180(g); RCW 19.100.220.

**-SIGNATURES APPEAR ON FOLLOWING PAGE(S)-**

Release given this day of \_\_\_\_\_ by:

FRANCHISEE:

PRINCIPAL:

---

---

By: \_\_\_\_\_

(Print Name)

---

(Print Name, Title)

PRINCIPAL:

---

\_\_\_\_\_  
(Print Name)

**EXHIBIT C**

**AREA DEVELOPMENT AGREEMENT**

# **360 TOUR DESIGNS FRANCHISING, LLC**

## **AREA DEVELOPMENT AGREEMENT**

### **TABLE OF CONTENTS**

1.	RECITATIONS.....	3
2.	GRANT OF DEVELOPMENT RIGHTS.....	3
3.	TERM.....	3
4.	DEVELOPMENT AND FRANCHISE FEES.....	3
5.	EXERCISE OF DEVELOPMENT RIGHTS.....	4
6.	TRANSFER.....	6
7.	DEFAULT AND TERMINATION.....	9
8.	NON-DISCLOSURE AND NON-COMPETITION COVENANTS.....	10
9.	INDEMNIFICATION.....	12
10.	DISPUTE RESOLUTION .....	13
11.	GENERAL .....	15

### **ATTACHMENTS:**

ATTACHMENT 1: DEVELOPMENT AREA

## AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "Agreement") is being entered into this day of \_\_\_\_\_, (the "Effective Date") by and between 360 Tour Designs Franchising, LLC, a Pennsylvania limited liability company with its principal place of business located at 355 North 21st Street, Suite 105, Camp Hill, Pennsylvania, 17011 (herein "Franchisor") and \_\_\_\_\_, an individual residing at \_\_\_\_\_ and \_\_\_\_\_, an individual residing at \_\_\_\_\_ (herein "Developer").

### RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a business that provides comprehensive residential and commercial real estate and property imagery services, using Franchisor's confidential operations manual ("Manual") of business practices and policies, and Franchisor's distinctive, décor, fixtures and furnishings, operations methods, sales techniques, inventory, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the "System").

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the 360 Tour Designs service marks, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Pursuant to franchise agreements, Franchisor licenses to others the right to operate 360 Tour Designs outlets, using the Marks and System, in strict conformity therewith, which may be changed, improved and further developed by Franchisor from time to time (each a "Franchise Agreement").

Developer understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating franchised businesses of the System in conformity with Franchisor's standards and specifications.

Developer desires to obtain the right to further develop and expand the System in accordance with the development schedule described in Section 5.2 hereof (the "Mandatory Development Schedule") within the development area described in Attachment 1 (the "Development Area"), under the System and Marks, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

**1. RECITATIONS.** The Recitations set out above form part of this Agreement.

**2. GRANT OF DEVELOPMENT RIGHTS.**

**2.1 Grant.** Franchisor hereby grants to Developer, and the Developer hereby accepts from the Franchisor, on the terms and conditions set forth in this Agreement, which includes, but is not limited to, the execution of a Franchise Agreement pursuant to Section 4.2 hereof, the right to develop, construct, open and operate one (1) 360 Tour Designs outlet within the Development Area set forth in Attachment 1. Developer shall be granted rights to establish additional 360 Tour Designs outlets in the Development Area, up to the total number of outlets set forth in the Mandatory Development Schedule set forth in Section 5.2 hereof, subject to Developer's full compliance with all conditions precedent to the grant of such rights outlined below, which rights shall be exercised in accordance with Sections 5.1 and 5.4 hereof.

**2.2 Reservation of Rights.** Notwithstanding the provisions of Section 2.1 above, Developer understands and agrees Franchisor fully reserves all other rights, other than as specified in this Agreement, for sales, solicitation and distribution of 360 Tour Designs products and services within or outside of the Development Area. This reservation of Franchisor's rights includes, but is not limited to, Franchisor's right to the rights to (i) offer and sell other products or services not offered under the Marks; (ii) offer and sell 360 Tour Designs products or services at non-traditional or captive market venues, which includes distribution through kiosks, carts, counters, stores-within-a-store, grocery stores, convenience stores, amusement or theme parks, sports stadiums and arenas, enclosed shopping centers, military bases, airports, train stations, and gas stations; and (iv) engage in solicitation and sales of 360 Tour Designs products or services through the Internet, catalog sales, telemarketing and direct marketing.

**2.3 No License to System and Marks.** Developer expressly acknowledges that this Agreement is not a Franchise Agreement and does not grant to Developer any right or license to operate a 360 Tour Designs outlet, distribute any product or service, or use the Marks. This Agreement sets forth conditions which, if fully satisfied, confer upon Developer the rights to enter a Franchise Agreement with Franchisor to establish one or more 360 Tour Designs outlets in the Development Area only. Developer's rights to open and operate a 360 Tour Designs outlet and use the System and Marks shall be derived only through the execution of a Franchise Agreement for each 360 Tour Designs outlet to be established in the Development Area.

**3. TERM.** Unless sooner terminated in accordance with this Agreement, the term of this Agreement and all rights granted by Franchisor under this Agreement shall expire on the date on which Developer successfully and in a timely manner has complied with all of Developer's obligations hereunder and has completed the development obligations in accordance with the Development Schedule.

**4. DEVELOPMENT AND FRANCHISE FEES.**

**4.1 Development Fee.** In consideration of the rights granted under this Agreement, Developer shall pay Franchisor a development fee equal to Sixty-Nine Thousand Dollar (\$69,000.00) for three (3) 360 Tour Designs outlets, plus an additional Seventeen Thousand Two Hundred Fifty Dollar (\$17,250) for each additional 360 Tour Designs outlet (if applicable) Developer agrees to develop as set forth on the Mandatory Development Schedule (the "Development Fee"). The Development Fee is fully earned at the time this Area Development Agreement is signed and is not refundable under any circumstances. Developer shall pay the full amount of the Development Fee to Franchisor upon Developer's execution of this Agreement.

**4.2 Application of Development Fee.** Contemporaneous with the execution of this Agreement, Developer shall execute the initial Franchise Agreement for the first 360 Tour Designs outlet to be established pursuant to the Mandatory Development Schedule. Developer shall receive a Thirty-Four Thousand Five Hundred (\$34,500.00) credit from the Development Fee, which shall be payment in full of the Initial Franchise Fee due under the initial Franchise Agreement. Upon the execution of the second Franchise Agreement, Developer shall receive a Seventeen Thousand Two Hundred Fifty Dollar (\$17,250.00) credit from the Development Fee for the second Franchise Agreement, which shall be applied as partial payment toward the Initial Franchise Fee of Thirty-Four Thousand Five Hundred (\$34,500.00) then due pursuant to the second Franchise Agreement. Contemporaneous with the execution of the second Franchise Agreement, Developer shall promptly pay the balance of Seventeen Thousand Two Hundred Fifty Dollar (\$17,250.00) toward the Initial Franchise Fee due thereunder. Upon the execution of the third Franchise Agreement, Developer shall receive a Seventeen Thousand Two Hundred Fifty Dollar (\$17,250.00) credit from the Development Fee for the third Franchise Agreement, which shall be applied as partial payment toward the Initial Franchise Fee of Thirty-Four Thousand Five Hundred (\$34,500.00) then due pursuant to the third Franchise Agreement. Contemporaneous with the execution of the third Franchise Agreement, Developer shall promptly pay the balance of Seventeen Thousand Two Hundred Fifty Dollar (\$17,250.00) toward the Initial Franchise Fee due thereunder. Upon the execution of the fourth and each additional Franchise Agreement pursuant to the Mandatory Development Schedule, Developer shall receive a Seventeen Thousand Two Hundred Fifty Dollar (\$17,250.00) credit from the Development Fee for each additional Franchise Agreement, which shall be applied as partial payment toward the Initial Franchise Fee of Thirty-Four Thousand Five Hundred (\$34,500.00) then due pursuant to each additional Franchise Agreement. Contemporaneous with the execution of each additional Franchise Agreement, Developer shall promptly pay the balance of Seventeen Thousand Two Hundred Fifty Dollar (\$17,250.00) toward the Initial Franchise Fee due thereunder. Upon Franchisor's approval, Developer may enter into the initial Franchise Agreement or any subsequent Franchise Agreement as required under this Agreement using a newly formed entity, such as a limited liability company, corporation or partnership, for the sole purpose of entering into a Franchise Agreement and operating the 360 Tour Designs outlet pursuant thereto, provided that Developer shall also personally sign such Franchise Agreement as a principal.

## **5. EXERCISE OF DEVELOPMENT RIGHTS.**

**5.1 Valid Exercise.** Developer shall exercise the development rights granted hereunder only by entering into a separate Franchise Agreement with Franchisor for each 360 Tour Designs outlet for which a development right is granted. Developer shall execute and deliver to Franchisor, concurrently with the execution and delivery of this Agreement, Franchisor's current form of Franchise Agreement for the first 360 Tour Designs outlet to be established by Developer pursuant to the Mandatory Development Schedule. For each subsequent 360 Tour Designs outlet to be established hereunder, Developer shall execute and deliver to Franchisor Franchisor's then-current form of Franchise Agreement, which shall be presented to Developer together with Franchisor's then-current Franchise Disclosure Document. The then-current form of Franchise Agreement may differ from the current form of Franchise Agreement; provided however, the initial franchise fee for each additional outlet shall be the applicable amount set forth in Section 4.2 hereof. Further, Developer acknowledges and agrees that Developer shall not receive any initial training related to each additional 360 Tour Designs outlet. Developer hereby waives all obligations by Franchisor to provide any training to Developer contained in each Franchise Agreement, other than the initial Franchise Agreement executed concurrently with this Agreement, by and between Franchisor and Developer. Developer hereby

acknowledges and agrees that the training Developer receives pursuant to the initial Franchise Agreement executed concurrently with this Agreement is sufficient to allow Developer to construct, equip, open and operate each of Developer's 360 Tour Designs outlets in the Development Area.

**5.2 Mandatory Development Schedule**. Subsequent to Developer's signing of this Agreement and the initial Franchise Agreement, and provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the execution of a lease for Developer's first 360 Tour Designs outlet, Developer shall execute an additional Franchise Agreement for the development of the second 360 Tour Designs outlet to be opened under the Mandatory Development Schedule. Provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the execution of a lease for each subsequent 360 Tour Designs outlet to be developed by Developer, Developer shall execute an additional Franchise Agreement for the development of the next 360 Tour Designs outlet to be opened under the Mandatory Development Schedule. Notwithstanding the foregoing, Developer shall open the 360 Tour Designs outlets in accordance with the following schedule:

<b>Outlet for Development</b>	<b>Mandatory Open Date</b>
1	60 days following the Effective Date
2	24 months following the Effective Date
3	36 months following the Effective Date
4+	48 months following the Effective Date

Developer acknowledges and agrees that the terms of the Mandatory Development Schedule are reasonable and viable based upon Developer's independent investigation and analysis. Failure by Developer to adhere to the Mandatory Development Schedule (including any extensions thereof approved by Franchisor in writing pursuant to Section 5.3 below) shall constitute a material event of default under this Agreement.

**5.3 Extension of Mandatory Development Schedule**. If Developer is unable to meet the Mandatory Development Schedule for any outlet, Developer may seek a reasonable extension from Franchisor. Any request for an extension must be in writing and submitted to Franchisor at least sixty (60) days prior to the Mandatory Open Date for such outlet. Franchisor shall not unreasonably withhold consent for such reasonable extension provided that Developer has (i) submitted its extension request in a timely manner; (ii) demonstrated diligent efforts to meet the original Mandatory Open Date; and (iii) has at all times acted in good faith and is otherwise fulfilling its obligations under this Agreement.

**5.4 Conditions to Exercise Developer's Rights**. All of the following conditions must be satisfied or waived, in Franchisor's sole discretion, before Franchisor grants Developer the right to develop an additional 360 Tour Designs outlet in accordance with Section 4.2 hereof and pursuant to a Franchise Agreement:

**5.4.1** Developer shall (i) request Franchisor's then-current Franchise Disclosure Document, (ii) submit to Franchisor all information and other documents requested by Franchisor prior to and as a basis for the issuance of Franchise Agreements in the System, (iii) submit to Franchisor all financial statements reasonably requested by Franchisor, and (iv) satisfy Franchisor's then-current financial criteria.

**5.4.2** Developer shall be in full compliance with this Agreement, the Mandatory Development Schedule, and all Franchise Agreements with Franchisor and any other agreement with Franchisor or Franchisor's affiliates;

5.4.3 Developer has demonstrated the management skills necessary for competent operation, organization, customer service and record keeping of an additional 360 Tour Designs outlet as determined by Franchisor, in Franchisor's sole discretion.

5.5 Termination for Failure of Condition. Notwithstanding anything to the contrary contained herein, in the event that Franchisor determines, in Franchisor's sole and absolute discretion, that any condition set forth in Section 5.4 hereof cannot be satisfied, Franchisor may terminate this Agreement upon written notice to Developer. Termination of this Agreement in accordance with this Section 5.5 shall have no effect on the validity of any other agreement between Franchisor and Developer, provided that Developer is in full compliance therewith.

5.6 Developer agrees to manage each Franchised Business pursuant to the Mandatory Development Scheduled him/herself, or maintain a fully trained Manager. Developer will also take all such steps as are necessary to ensure good customer relations.

## 6. TRANSFER

### 6.1. Transfers by Franchisor.

6.1.1. Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Developer's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Developer expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Developer expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

6.1.2. Developer agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Developer acknowledges may be within the Development Area, proximate thereto, or proximate to any of Developer's 360 Tour Designs outlets).

6.1.3. If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor or any of its affiliates to remain in any line of business or to offer or sell any products or services to Developer.

6.2 Restrictions on Transfers by Developer. Developer's rights and duties under this Agreement are personal to Developer, and Franchisor has made this Agreement with Developer in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Developer. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

6.3 Transfers by Developer. Developer shall not directly or indirectly sell, assign, transfer, give, devise, convey, pledge, mortgage or encumber this Agreement or any right granted or interest herein or hereunder (a "Transfer") or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless Developer first obtains the written consent of Franchisor, which Franchisor may or may not grant in Franchisor's sole discretion, and subject to the following:

6.3.1 The proposed transferee must be an individual of good moral character and otherwise meet Franchisor's then-applicable standards for multi-unit franchisees.

6.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate multiple 360 Tour Designs outlets and to comply with this Agreement;

6.3.3 The transferee has agreed to complete Franchisor's Initial Training Program to Franchisor's satisfaction;

6.3.4 Developer has paid all amounts owed to (i) Franchisor pursuant to this Agreement and all Franchise Agreements and other agreements between Franchisor and/or Franchisor's affiliates and Developer and (ii) third-party creditors;

6.3.5 The transferee has executed Franchisor's then-standard form of Area Development Agreement, which may have terms and conditions different from this Agreement, for a term no less than the unexpired term of future development obligations due pursuant to the Mandatory Development Schedule of this Agreement;

6.3.6 Developer and the transferee shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Developer agrees to subordinate any claims Developer may have against the transferee to Franchisor, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;

6.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the transferee's development obligations. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the

Developer's development rights on such terms and conditions. Developer shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer; and

6.3.8 If Developer, through Developer or any entity, finances any part of the sale price of the Transfer, Developer agrees that all obligations of the transferee under any notes, agreements or security interests to Developer or Developer's entity will be subordinate to the transferee's obligations to Franchisor.

6.4 Transfer Fee. As a condition to any Transfer, Developer shall pay Franchisor a transfer fee equal to Ten Thousand Dollars (\$10,000.00).

#### 6.5 Franchisor's Right of First Refusal.

6.5.1 If Developer wishes to transfer all or part of his or her interest in this Agreement pursuant to any bona fide offer received from a third party to purchase such interest, then Developer shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

6.5.2 Franchisor has the right, exercisable by written notice to Developer within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement for the price and on the terms and conditions contained in the offer.

6.5.3 Developer further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the third-party offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor's credit will be deemed equal to the credit of any proposed transferee; (iv) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from Developer all customary representations and warranties given by a seller of franchise development rights.

6.5.4 If Franchisor does not exercise its right to buy within thirty (30) days, Developer may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 6.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

6.6 Death or Permanent Disability. The grant of rights under this Agreement is personal to Developer, and on the death or permanent disability of Developer, the executor, administrator, conservator or other personal representative of Developer shall transfer Developer's interest in this Agreement within six (6) months from the date of death or permanent disability, to a third party approved by Franchisor. A transfer under this Section 6.6, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 6 and unless transferred by gift, devise or inheritance, subject to the terms of Section 6.5 above. For purposes of this Agreement, the term "permanent disability" means a

mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Developer from supervising the development and operation of Developer's 360 Tour Designs outlets continuously for six (6) months from its onset.

## **7. DEFAULT AND TERMINATION.**

7.1 Default and Automatic Termination. Developer shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if Developer shall become insolvent or makes a general assignment for the benefit of creditors; or if Developer files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing his or her inability to pay debts when due; or if Developer is adjudicated a bankrupt or insolvent in proceedings filed against Developer under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Developer is dissolved; or if execution is levied against Developer's business or property; or if suit to foreclose any lien or mortgage against any of Developer's 360 Tour Designs outlet premises or equipment is instituted against Developer and not dismissed within thirty (30) days.

7.2 Defaults With No Opportunity to Cure. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure the default, effective immediately upon notice to Developer, if Developer:

7.2.1 has misrepresented or omitted material facts in applying for the development rights granted hereunder;

7.2.2 falsifies any report required to be furnished Franchisor hereunder;

7.2.3 fails to comply with any federal, state or local law, rule or regulation, applicable to the development and operations of Developer's 360 Tour Designs outlets;

7.2.4 fails to develop the 360 Tour Designs outlets in accordance with the Mandatory Development Schedule.

7.2.5 attempts a Transfer in violation of the provisions of Article 6 of this Agreement;

7.2.6 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything that may harm the reputation of the System or the goodwill associated with the Marks;

7.2.7 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

7.2.8 fails to comply with the non-disclosure and non-competition covenants in Article 8 hereof;

7.2.9 defaults, or an affiliate of Developer defaults, under any other agreement, including any Franchise Agreement, with Franchisor or any of its affiliates or suppliers and does not cure such default within the time period provided in such other agreement; or

7.2.10 terminates this Agreement without cause.

7.3 Curable Defaults. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Developer fails to cure the default within the time period set forth in this Section 7.3, effective immediately upon notice to Developer, if Developer:

7.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)-month period, and the third such late payment in any twelve (12)-month period shall be a non-curable default under Section 7.2;

7.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 7.1 and 7.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Developer proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)-month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 7.2.

7.4. Post-Termination Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Developer shall immediately terminate and Developer shall (i) immediately cease all development operations pursuant to this Agreement; and (ii) comply with the non-disclosure and non-competition covenants contained in Article 8.

## **8. NON-DISCLOSURE AND NON-COMPETITION COVENANTS.**

8.1 Confidential Information. Developer acknowledges and accepts that during the term of this Agreement, Developer will have access to Franchisor's trade secrets, including, but not limited to, recipes, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, product prices and names, software tools and applications, website and/or email design, services, equipment, technologies and procedures relating to the operation of 360 Tour Designs franchises; the Manual; methods of advertising and promotion; instructional materials; any other information

which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Developer shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for Developer's own benefit, any Confidential Information that may be communicated to Developer or of which Developer may be apprised in connection with the development of 360 Tour Designs outlets under the terms of this Agreement. Developer shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person, without Franchisor's prior written consent. The covenant in this Section 8.1 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Developer.

**8.2 Protection of Information.** Developer shall take all steps necessary, at Developer's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Developer finds that any Confidential Information has been divulged in violation of this Agreement.

**8.3 Noncompetition Covenants.** Developer acknowledges that, pursuant to this Agreement and the Franchise Agreement(s), Developer will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Developer. Developer acknowledges that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to him or her in the development and operation of 360 Tour Designs outlets, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Developer is entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Developer covenants that, except as otherwise approved in writing by Franchisor:

**8.3.1** During the term of this Agreement, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Developer's 360 Tour Designs outlets or of other developers or franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any capacity in any restaurant, shop or food truck or other business that derives its revenues from the sale of residential and commercial real estate and property imagery services or any other product offered by any outlets in the 360 Tour Designs System ("Competitive Business"); or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor, Franchisor's affiliate-owned outlets, or any 360 Tour Designs developers or franchisees.

**8.3.2** Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of Developer's 360 Tour Designs outlets or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any Competitive Business within twenty-five (25) miles of the Development Area or of any 360 Tour Designs location; or (iii) do or perform,

directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor, Franchisor's affiliate-owned outlets, or any 360 Tour Designs developers or franchisees.

**8.4 Reasonableness of Restrictions.** Developer acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Developer since Developer has other considerable skills, experience and education which afford Developer the opportunity to derive income from other endeavors.

**8.5 Reduction of Time or Scope.** If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 8 or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof, and Developer agrees to forthwith comply with any covenant as so modified.

**8.6 Injunctive Relief.** Developer acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Developer hereby consents to the entry of an injunction prohibiting any conduct by Developer in violation of the terms of the covenants not to compete set forth in this Agreement.

**8.7 No Defense.** Developer expressly agrees that the existence of any claims he or she may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

**9. INDEMNIFICATION.** TO THE FULLEST EXTENT PERMITTED BY LAW, DEVELOPER AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS 360 TOUR DESIGNS FRANCHISING, LLC, AND ANY OF ITS PARENT COMPANIES, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "360 TOUR DESIGNS INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE DEVELOPMENT, OPERATION, CONDITION, OR ANY PART OF ANY OF DEVELOPER'S 360 TOUR DESIGNS OUTLETS TO BE DEVELOPED HEREUNDER, INCLUDING BUT NOT LIMITED TO, CLAIMS RELATED TO DEVELOPER'S CONTRACTS, EMPLOYEES OR AGENTS OR CONSTRUCTION, ADVERTISING OR OTHER BUSINESS PRACTICES. DEVELOPER AGREES TO PAY FOR ALL THE 360 TOUR DESIGNS INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY DEVELOPER HEREUNDER. THE 360 TOUR DESIGNS

INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE 360 TOUR DESIGNS INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. DEVELOPER AGREES THAT TO HOLD THE 360 TOUR DESIGNS INDEMNITEES HARMLESS, DEVELOPER WILL REIMBURSE THE 360 TOUR DESIGNS INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE 360 TOUR DESIGNS INDEMNITEES.

---

Initial

## 10. DISPUTE RESOLUTION

10.1 Internal Dispute Resolution. Developer shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 11.6 below. Developer must exhaust this internal dispute resolution procedure before Developer may bring Developer's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

10.2 Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 10.1 hereof shall be submitted to non-binding mediation. Developer shall provide Franchisor with written notice of Developer's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Developer's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

### 10.3 Arbitration.

10.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 10.4, any dispute between Franchisor and Developer arising out of or relating to this Agreement, the Attachments hereto or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections 10.1 or 10.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

10.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) and the federal common law of arbitration. All hearings and other proceedings will take place in the Commonwealth of Pennsylvania or, if Franchisor so elects, at the offices of the American Arbitration Association or in the county where the principal place of business of Developer is then located.

10.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Developer, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.

10.3.4 The provisions of this Section 10.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

10.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone or rescind the effectiveness of any termination of this Agreement.

10.3.6 Except as expressly required by law, Franchisor and Developer shall keep all aspects of any mediation and/or arbitration proceeding in confidence and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

10.4 Exceptions. Notwithstanding the requirements of Sections 10.2 or 10.3, the following claims shall not be subject to mediation or arbitration:

10.4.1 Franchisor's claims for injunctive or other extraordinary relief;

10.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;

10.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks; and

10.4.4 enforcement of Developer's post-termination obligations, including but not limited to, Developer's non-competition covenants.

10.5 Governing Law and Venue. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the Commonwealth of Pennsylvania. Developer, except where specifically prohibited by law, hereby irrevocably submit himself and/or herself to the sole and exclusive jurisdiction of the state and federal courts in the Commonwealth of Pennsylvania. Developer hereby waives all questions of personal jurisdiction for the purpose of carrying out this provision.

10.6 Mutual benefit. Developer and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 10.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Developer and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

10.7 Waiver of Jury Trial and Certain Damages. Developer hereby waives, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Developer agrees that in the event of a dispute, Developer shall be limited to the recovery of any actual damages sustained.

10.8 Limitations of Claims. Any and all claims asserted by Developer arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Developer knew or should have known of the facts giving rise to such claims.

10.9 Attorneys' Fees. In the event of any action in law or equity by and between Franchisor and Developer concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney's fees and court costs incurred.

10.10 Survival. The provisions of this Article 10 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Developer of his/her respective interests in this Agreement.

## **11. GENERAL**

11.1 Independent Licensee. Developer is and shall be an independent licensee under this Agreement, and no partnership shall exist between Developer and Franchisor. This Agreement does not constitute Developer as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Developer is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Developer agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other developers or franchisees of Franchisor. Pursuant to the above, Developer agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs or judgments against Franchisor arising out of the relationship hereby established which specifically, but not exclusively, includes costs, losses, expenses, attorneys fees relative to assignment or the transfer of right to develop and transactional costs relative thereto, defaults under any leases, subleases, notes, receipt of revenues or any other relationships arising directly or indirectly out of the development and operation of the 360 Tour Designs outlets.

11.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Developer and his or her respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Developer in this Agreement, except in accordance with Article 6 hereof.

11.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

11.4 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Developer shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Developer, if more than one person is so named.

11.5 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

11.6 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as first above written, or at such other address or addresses as the parties may from time to time designate in writing.

11.7 Effect of Waivers No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Developer shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind.

11.8 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Article 7 shall not discharge or release Developer from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

11.9     Consent to Do Business Electronically. The parties to this Area Development Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the Commonwealth of Pennsylvania, the parties hereby affirm to each other that they agree with the terms of this Area Development Agreement and its Attachments, and by attaching their signature electronically to this Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to this Agreement can rely on an electronic signature as the respective party's signature.

11.10    Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

11.11    Survival. Any obligation of Developer that contemplates performance of such obligation after termination, expiration or transfer of this Agreement shall be deemed to survive such termination, expiration or transfer.

11.12    Entire Agreement. This Agreement is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Developer, provided that nothing in this Agreement is intended to disclaim the representations made to Developer in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

**-SIGNATURES APPEAR ON FOLLOWING PAGE(S)-**

The parties hereto have executed this Area Development Agreement in on the day and year first above written.

FRANCHISOR:  
360 TOUR DESIGNS FRANCHISING, LLC

By: \_\_\_\_\_

\_\_\_\_\_Greg Drake\_\_\_\_\_, C.E.O.  
(Print Name, Title)

DEVELOPER:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

DEVELOPER:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

## **ATTACHMENT 1**

### **DEVELOPMENT AREA**

(insert map and/or define by zip codes):

**EXHIBIT D**  
**FINANCIAL STATEMENTS**

# **360 Tour Designs Franchising, LLC**

**Report of Independent Auditors**  
**December 31, 2024 and 2023**

Table of Contents

Report of Independent Auditors.....	Page 1
Balance Sheets.....	Page 3
Statements of Operations.....	Page 4
Statements of Changes in Equity.....	Page 5
Statements of Cash Flows.....	Page 6
Notes to the Financial Statements.....	Page 7

Report of Independent Auditors

To the Member(s) of  
360 Tour Designs Franchising, LLC:

*Opinion*

We have audited the accompanying financial statements of 360 Tour Designs Franchising, LLC (the Company), a Pennsylvania Limited Liability Company, which comprise the balance sheet as of December 31, 2024 and December 31, 2023, and the related statements of operations, member's equity, and cash flows for the year ended December 31, 2024 and December 31, 2023 and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and December 31, 2023, and the results of its operations and its cash flows for the years ended December 31, 2024 and December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 April 20, 2025.

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore 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 audits.

- 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 audits in order to design audit procedures that are appropriate in the circumstance, 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

*DA Advisory Group PLLC*

Troy, MI  
April 20, 2025

360 Tour Designs Franchising, LLC  
 BALANCE SHEETS  
 December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 10,614	\$ 29,294
Accounts receivable	<u>45,076</u>	<u>23,979</u>
Total current assets	55,690	53,273
<b>Total assets</b>	<u><u>\$ 55,690</u></u>	<u><u>\$ 53,273</u></u>
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ -	\$ -
Total current liabilities	-	-
Total liabilities	<u>-</u>	<u>-</u>
<b>Member's equity</b>	<u>55,690</u>	<u>53,273</u>
<b>Total liabilities and member's equity</b>	<u><u>\$ 55,690</u></u>	<u><u>\$ 53,273</u></u>

see accompanying notes

360 Tour Designs Franchising, LLC  
 STATEMENTS OF OPERATIONS  
 For the Years Ended December 31, 2024 and 2023

	2024	2023
<b>REVENUE</b>		
Royalty	\$ 111,254	\$ -
Sales	40,245	-
Services	13,662	-
Brand fund	6,100	-
Franchise fee purchase	38,299	
Territory monthly fee	<u>\$ 74,728</u>	<u>\$ 131,120</u>
Other income	5	-
<b>Total revenue</b>	<u>284,293</u>	<u>131,120</u>
<b>OPERATING EXPENSES</b>		
Selling and administrative expenses	<u>281,876</u>	<u>104,737</u>
Total operating expenses	281,876	104,737
<b>Net income</b>	<u>\$ 2,417</u>	<u>\$ 26,383</u>

see accompanying notes

360 Tour Designs Franchising, LLC  
 STATEMENT OF CHANGES IN MEMBER'S EQUITY  
 For the Years Ended December 31, 2024 and 2023

	<u>Total Member's Equity</u>
BALANCE, JANUARY 1, 2023	\$ 26,890
Capital contributions	-
Capital distributions	-
Net income	<u>26,383</u>
BALANCE, DECEMBER 31, 2023	<u><u>\$ 53,273</u></u>
Capital contributions	-
Capital distributions	-
Net income	<u>2,417</u>
BALANCE, DECEMBER 31, 2024	<u><u>\$ 55,690</u></u>

see accompanying notes

**360 Tour Designs Franchising, LLC**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 2,417	\$ 26,383
Change in:		
Accounts receivable	(21,097)	1,309
Accounts payable	-	(3,085)
Net cash (used in) provided by operating activities	<u>(18,680)</u>	<u>24,607</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash provided by investing activities	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash provided by financing activities	-	-
Net change in cash and cash equivalents	\$ (18,680)	\$ 24,607
Cash and cash equivalents at beginning of year	<u>29,294</u>	<u>4,687</u>
Cash and cash equivalents at end of year	<u><u>\$ 10,614</u></u>	<u><u>\$ 29,294</u></u>
Total cash and cash equivalents	<u><u>\$ 10,614</u></u>	<u><u>\$ 29,294</u></u>

see accompanying notes

360 Tour Designs Franchising, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**1. Organization**

360 Tour Designs Franchising, LLC (the “Company”) is a Pennsylvania limited liability company. The Company was formed in November 2018 and began operations in January 2019. The Company offers a portfolio of imagery services from static photography to 3D video tours in both the residential and commercial market space.

**2. Summary of significant accounting policies and nature of operations**

**Basis of presentation**

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

**Use of estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Cash and cash equivalents**

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

**Fair value of financial instruments**

The Fair Value Measurements and Disclosure Topic of the FASB Accounting Codification establishes a framework for measuring fair value that is based on the inputs market participants use to determine fair value of an asset or liability and establishes a fair value hierarchy to prioritize those inputs.

The accounting guidance describes a hierarch of three levels of input that may be used to measure fair value:

Level 1     Inputs based on quote prices in active markets for identical assets and liabilities.

Level 2     Inputs other than Level 1 quoted prices, such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3     Unobservable inputs based on little market or no market activity and which are significant to the fair value of the assets and liabilities.

The Company’s material financial instruments consist of primarily cash and cash equivalents, accounts and notes receivable, and accounts payable and accrued expenses. The fair values of cash, accounts and notes receivable, accounts payable and accrued expenses are equal to their carrying values based on their liquidity. The fair value measurement of these assets is categorized as Level 1. For the Company’s financial instruments which consist of cash and cash equivalents the carrying amounts approximate fair value due to their short maturities.

360 Tour Designs Franchising, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**2. Summary of significant accounting policies and nature of operations (continued)**

**Accounts receivable and bad debts**

Trade receivables are recorded at invoiced amounts. The Company uses the direct-write off method for recording bad debts. Therefore, no allowance for uncollectible accounts is shown on the balance sheet. The Company determines the collectability of its accounts receivable by a detailed analysis of each customer's account considering past history and current economic conditions. After all reasonable collection efforts have been exhausted, the Company writes off the receivable as uncollectible. If a receivable that has been written off is subsequently collected in a later accounting period, the amount collected is booked as a bad debt recovery on the statement of operations. For the years ended December 31, 2024 and December 31, 2023, no write offs were made.

**Revenue recognition**

The Company recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606") which outlines a single, comprehensive model for accounting for revenue from contracts with customers. Under ASC 606, revenue is recognized in accordance with a five-step model, as follows: identifying the contract with the customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations and recognizing revenue when (or as) the Company satisfies a performance obligation.

The Company charges an initial franchise fee to the franchisees. This one time "Franchise Fee" is received by the Company upon the franchisees signing of the franchise agreement. Under this guidance, the revenue of the initial franchise fee is not recognized by the Company until the Company has provided substantially all of the initial services agreed upon stated in the franchise agreement.

Any amounts received by year end, for which the agreed upon services have not been completed, are considered a contract liability and recognized as deferred franchise fees on the balance sheet. Contract assets (accounts receivable) as of December 31, 2024, and December 31, 2023, were \$45,076 and \$23,979. As of December 31, 2024, and December 31, 2023, contract liabilities totaled \$0 and \$0.

The Company receives franchise fees from continuing franchisees. These continuing franchise fees are recognized when charged. Other franchisee costs such as startup equipment and training are expensed as incurred. Royalty income is recognized when earned. The Company also generates revenue from advertising and marketing fees, and miscellaneous administrative service fees, which are recognized when earned.

The Company executes franchise agreements that set the terms of its arrangement with each franchisee. The franchise agreement requires the franchisee to pay an initial, non-refundable fee, ranging from \$15,000 - \$50,000 depending on the size and potential revenue of the territory. In addition to the Initial Franchise Fee, the Company also requires an equipment package and custom marketing materials be purchased.

The Franchisee incurs various monthly and annual fees including brand development, software application, marketing and other applicable fees as outlined in the Franchise Disclosure Document.

360 Tour Designs Franchising, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**2. Summary of significant accounting policies and nature of operations (continued)**

The Company agrees to provide certain services to each of its franchisees before opening. These services include determining territory boundaries and approving the franchisee location, initial operational and equipment training, assistance and guidance with any questions, along with sample digital artwork of advertising and promotional materials.

The Company derives its revenues primarily from franchisees in accordance with contractual agreements.

**Income taxes**

The Company is a wholly owned limited liability company, treated as a disregarded entity for income tax purposes. No provision or benefit for income taxes have been included in this financial statement since taxable income passes through to, and is reported by, the sole owner.

**Advertising**

Advertising costs are expensed as incurred. For the years ended December 31, 2024, and December 31, 2023, the Company incurred no advertising costs.

**Related party transactions**

360 Tour Designs Franchising, LLC is a wholly owned subsidiary. The Parent Company has more than 50% common ownership with multiple entities, of which 360 Tour Designs Franchising, LLC transacts business with. The Company is managed by a related affiliate that it pays a management fee to as well as earns royalty and technology and administrative revenue from the territories owned by the affiliate. The contracted management responsibilities include daily operations, administrative support, marketing, bookkeeping as well as any other required services and support.

In 2024 and 2023 the Company paid \$278,916 and \$104,737 in management fees to an affiliate respectively.

**Concentration of credit risk**

The Company maintains its cash in financial institutions insured by the Federal Deposit Insurance Company (FDIC). The accounts at each institution are insured by the FDIC up to \$250,000. Deposit accounts, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2024 and December 31, 2023, the Company did not have any deposits in excess of the insured limits.

**Commitments and contingencies**

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

360 Tour Designs Franchising, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

3. Subsequent events

Subsequent events have been evaluated through April 20, 2025, which is the date the financial statements were available to be issued. No significant events or transactions were identified that would require adjustment to the balance sheet or disclosure.

360 TOUR DESIGNS FRANCHISING, LLC

FINANCIAL STATEMENTS

December 31, 2022

## TABLE OF CONTENTS

	Page
Independent Auditors' Report	1 - 2
Financial Statements:	
Balance Sheet	3
Statement of Operations	4
Statement of Member's Equity	5
Statement of Cash Flows	6
Notes to the Financial Statement	7 - 9



## INDEPENDENT AUDITORS' REPORT

To Officers and Management  
360 Tour Designs Franchising, LLC  
Mechanicsburg, Pennsylvania

### **Opinion**

We have audited the accompanying financial statements of 360 Tour Designs Franchising, LLC (a Pennsylvania Limited Liability Company), which comprise the balance sheet as of December 31, 2022, and the related statements of operations, member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 360 Tour Designs Franchising, LLC as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 360 Tour Designs Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 360 Tour Designs Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 360 Tour Designs Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 360 Tour Designs Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

*Smoker, Smith & Associates P.C.*

Smoker, Smith & Associates P.C.

Hershey, Pennsylvania

February 13, 2023

360 TOUR DESIGNS FRANCHISING, LLC  
 BALANCE SHEET  
 December 31, 2022

Assets	
Current Assets	
Cash	\$ 4,687
Accounts Receivable	<u>25,288</u>
Total Current Assets	<u>29,975</u>
Total Assets	<u><u>\$ 29,975</u></u>
Liabilities and Member's Equity	
Liabilities	
Current Liabilities	
Accounts Payable	<u>\$ 3,085</u>
Total Current Liabilities	<u>3,085</u>
Total Liabilities	<u><u>3,085</u></u>
Member's Equity	
Member's Equity	<u>26,890</u>
Total Member's Equity	<u>26,890</u>
Total Liabilities and Member's Equity	<u><u>\$ 29,975</u></u>

*See Independent Auditors' Report and Accompanying Notes*

360 TOUR DESIGNS FRANCHISING, LLC  
STATEMENT OF OPERATIONS  
Year Ended December 31, 2022

Revenues

Royalty Fees	\$ 198,509
Technology & Administrative Fees	<u>60,982</u>
Total Revenues	259,491

Operating Expenses

Bank Fees	6,108
Legal & Professional Fees	27,277
Management Fees	<u>248,995</u>
Total Operating Expenses	<u>282,380</u>
Net Loss	<u>\$ (22,889)</u>

*See Independent Auditors' Report and Accompanying Notes*

360 TOUR DESIGNS FRANCHISING, LLC  
STATEMENT OF MEMBER'S EQUITY  
Year Ended December 31, 2022

Member's Equity - Beginning	\$ 49,779
Net Loss	<u>(22,889)</u>
Member's Equity - Ending	<u><u>\$ 26,890</u></u>

*See Independent Auditors' Report and Accompanying Notes*

360 TOUR DESIGNS FRANCHISING, LLC  
 STATEMENT OF CASH FLOWS  
 Year Ended December 31, 2022

Cash Flows from Operating Activities	
Net Loss	\$ (22,889)
Adjustments to Reconcile Net Loss to Net Cash	
(Used in) Operating Activities:	
(Increase) Decrease in:	
Accounts Receivable	(1,366)
Increase (Decrease) in:	
Accounts Payable	<u>3,085</u>
Net Cash (Used in) Operating Activities	<u>(21,170)</u>
Net Change in Cash	(21,170)
Cash - Beginning	<u>25,857</u>
Cash - Ending	<u><u>\$ 4,687</u></u>

*See Independent Auditors' Report and Accompanying Notes*

360 TOUR DESIGNS FRANCHISING, LLC  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2022

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

360 Tour Designs Franchising, LLC (the “Company”) is a limited liability company organized in the Commonwealth of Pennsylvania formed in November 2018 and began operations in January 2019. The Company offers franchises for 360 Tour Designs and Marketing, LLC. 360 Tour Designs and Marketing, LLC are providers throughout the United States of real estate imagery services designed for realtors to enhance their presentation and marketing ability of their properties. The Company offers a portfolio of imagery services from static photography to 3D video tours in both the residential and commercial market space.

Revenue Recognition

The Company’s revenues consist primarily of royalties based on a percentage of franchisees sales, equipment fees, continuing franchise fees, and initial franchise fees.

The Company recognizes revenue under guidance issued by FASB ASC Topic 606 - Revenue Recognition – Revenue from Contracts with Customers. The Company charges an initial franchise fee to the franchisees. This one time “Franchise Fee” is received by the Company upon the franchisees signing of the franchise agreement. Under this guidance, the revenue of the initial franchise fee is not recognized by the Company until the Company has provided substantially all of the initial services agreed upon stated in the franchise agreement. Any amounts received by year end, for which the agreed upon services have not been completed, are considered a contract liability and recognized as deferred franchise fees on the balance sheet. As of December 31, 2022, and December 31, 2021, there were no contract liabilities. Contract assets (accounts receivable) as of December 31, 2022 and December 31, 2021 were \$25,288, and \$23,922, respectively.

The Company receives franchise fees from continuing franchisees. These continuing franchise fees are recognized when charged. Other franchisee costs such as startup equipment and training are expensed as incurred. Royalty income is recognized when earned. The Company also generates revenue from advertising and marketing fees, and miscellaneous administrative service fees, which are recognized when earned.

The Company executes franchise agreements that set the terms of its arrangement with each franchisee. The franchise agreement requires the franchisee to pay an initial, non-refundable fee ranging between \$15,000 to \$50,000 (“Initial Franchise Fee”) depending on the size and potential revenue of the territory. In addition to the Initial Franchise Fee, the Company also requires an equipment package and custom marketing materials be purchased. The Franchisee incurs various monthly and annual fees including brand development, software application, marketing and other applicable fees as outlined in the Franchise Disclosure Document.

The Company agrees to provide certain services to each of its franchisees before opening. These services include determining territory boundaries and approving the franchisee location, initial operational and equipment training, assistance and guidance with any questions, along with sample digital artwork of advertising and promotional materials.

360 TOUR DESIGNS FRANCHISING, LLC  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
Year Ended December 31, 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash and Cash Equivalents

For purposes of the balance sheet, the Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable and Bad Debts

Trade receivables are recorded at invoiced amounts. The Company uses the direct-write off method for recording bad debts. Therefore, no allowance for uncollectible accounts is shown on the balance sheet. The Company determines the collectability of its accounts receivable by a detailed analysis of each customer's account considering past history and current economic conditions. After all reasonable collection efforts have been exhausted, the Company writes off the receivable as uncollectible. If a receivable that has been written off is subsequently collected in a later accounting period, the amount collected is booked as a bad debt recovery on the statement of operations. For the year ended December 31, 2022, there was no bad debt expense.

Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Income Taxes

The Company is a wholly owned limited liability company, treated as a disregarded entity for income tax purposes. No provision or benefit for income taxes have been included in this financial statement since taxable income passes through to, and is reported by, the sole owner (a partnership).

Uncertainty in Income Taxes

Management follows the provisions of sections of FASB Accounting Standards Codified pertaining to Uncertainty in Income Taxes. The Company is not a taxpaying entity for federal or state income tax purposes. The taxable income or loss generated by the Company is included on the member's federal and state income tax returns. The Company does not have information on the member's tax situations. Any penalties from tax positions will be booked in a separate account on the operating statement designated as penalties.

**360 TOUR DESIGNS FRANCHISING, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended December 31, 2022**

**NOTE 2 RELATED PARTY TRANSACTIONS**

360 Tour Designs Franchising, LLC is a wholly owned subsidiary. The Parent Company has more than 50% common ownership with multiple entities, of which 360 Tour Designs Franchising, LLC transacts business with. The Company is managed by a related affiliate that it pays a management fee to as well as earns royalty and technology and administrative revenue from the territories owned by the affiliate. The contracted management responsibilities include daily operations, administrative support, marketing, bookkeeping as well as any other required services and support.

In 2022 the Company received \$48,156 in royalties and technology and administrative fees along with paying \$247,910 in management fees to an affiliate.

**NOTE 3 CONCENTRATION OF CREDIT RISK**

The Company maintains its cash in financial institutions insured by the Federal Deposit Insurance Company (FDIC). The accounts at each institution are insured by the FDIC up to \$250,000. Deposit accounts, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2022, the Company did not have any deposits in excess of the insured limits.

**NOTE 4 SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through February 13, 2023, the date which the financial statement were available to be issued.

**EXHIBIT E**

**OPERATIONS MANUAL**

**TABLE OF CONTENTS**



## TABLE OF CONTENTS

---

### SECTION 1 - *INTRODUCTION*

PURPOSE.....	1-1
CONFIDENTIALITY: .....	1-1
ADDITIONAL GUIDELINES: .....	1-1
MODIFICATIONS TO MANUAL:.....	1-1

### SECTION 2 - *PRE-OPENING PROCEDURES*

GETTING STARTED.....	2-2
The 360 Tour Designs & Marketing Business	
LOCATION OF BUSINESS.....	2-3
Premises Requirements .....	2-3
Standards of Operation.....	2-4
LICENSES, PERMITS, REGISTRATIONS & INSURANCE .....	2-19
Federal Requirements .....	2-19
State Requirements .....	2-20
City Business License Overview.....	2-20
SELECTING THE NAME OF YOUR LEGAL ENTITY.....	2-21
BUILDING PERMITS .....	2-21
REQUIRED LABOR POSTERS .....	2-21
INSURANCE REQUIREMENTS .....	2-21
EQUIPMENT LIST.....	2-22
Required Equipment.....	2-22
Required Initial Inventory.....	2-23
HUMAN RESOURCES.....	2-25
DETAILED JOB DESCRIPTIONS .....	2-26
Overview .....	2-26
HIRING GUIDELINES .....	2-28
Employment Ads .....	2-28
Anticipating Needs .....	2-29
Interviewing.....	2-29
Evaluating the Application: .....	2-29
Conducting the Interview.....	2-30
ADVERTISING AND MARKETING.....	2-59
GRAND OPENING .....	2-69

### SECTION 3 - *POLICIES & OPERATIONS*

HOURS OF OPERATION.....	3-1
Customers.....	3-2
Competition.....	3-4

GENERAL OPERATIONS.....	3-14
ORDERING .....	3-19
Consequences of improper ordering.....	3-19
SECURITY: .....	3-30
INVENTORY .....	3-30
Taking the Inventory .....	3-30
Inventory Forms .....	3-32
Phone List.....	3-41
MANAGEMENT: .....	3-42
Quality Control.....	3-42
Complaints:.....	3-43
TIME MANAGEMENT .....	3-44
Shift Management .....	3-44
Employee Availability Chart.....	3-47

#### **SECTION 4- *ACCOUNTING, REPORTS & RECORDS***

FINANCIAL REPORTING .....	5-1
Continuing Royalty. .....	5-1
Advertising Fee. .....	5-1
Gross Receipts .....	5-2
POS system.....	5-3
Financial Reporting Form.....	5-4

#### **SECTION 5 - TRADEMARKS & LOGOS**

THE SERVICE MARK.....	6-1
Elements of The Logo: .....	6-1
Service Marks .....	6-4
Use of Your D.B.A.....	6-4
Impermissible .....	6-4
Identifying Words.....	6-4
Sample Logo.....	6-5
Other Logos .....	6-5
Guidelines for Required Disclaimer .....	6-5
Logo Color.....	6-6
Solid Color Logos.....	6-6
Grammatical Guidelines .....	6-7
General Guidelines & Use .....	6-7
Spacing and Proportions.....	6-7
White Pages .....	6-8
Yellow Pages .....	6-8
In Column Trademark Listings: .....	6-8
Display Ads .....	6-8
Classified Ad Guidelines .....	6-8
Other Standards of operations and Logo use.....	6-9

#### **SECTION 6 - *GRAPHIC STANDARDS***

Stationery Letterhead Size.....	7-1
---------------------------------	-----

Envelope Sizes.....	7-1
Other Layouts for Stationery .....	7-1
Printing in Black Ink .....	7-1
Paper .....	7-1
Logo.....	7-1
Trade Name .....	7-1
Type.....	7-1
Colors .....	7-2
Placement .....	7-2
Business Cards.....	7-2
Other Layouts for Business Cards .....	7-2
Other Logos .....	7-2
Required Disclaimer.....	7-2
<b>Business Forms .....</b>	<b>7-2</b>
Other Printed Material Specifications .....	7-2
Affixing Signage .....	7-2
Stationery Samples .....	7-3

## **SECTION 7 - APPROVED SUPPLIERS**

OVERVIEW.....	8-1
<b>SUPPLIERS .....</b>	<b>8-1</b>

## **SECTION 8 – APPENDIX**

INTRODUCTION .....	10-1
EMPLOYEE DUTY SHEETS .....	10-2
CHECKLISTS .....	10-11
REPORTS & FORMS .....	10-22

## **PAGES PER SECTION**

**SECTION 1 – INTRODUCTION- 1 page**

**SECTION 2 - PRE-OPENING PROCEDURES- 69 pages**

**SECTION 3 - POLICIES & OPERATIONS- 47 pages**

**SECTION 4- ACCOUNTING, REPORTS & RECORDS- 4 pages**

**SECTION 5 - TRADEMARKS & LOGOS – 9 pages**

**SECTION 6 - GRAPHIC STANDARDS – 3 pages**

**SECTION 7 - APPROVED SUPPLIERS- 2 pages**

**SECTION 8 – APPENDIX – 22 Pages**

***Total Pages-157***

## EXHIBIT F

### FRANCHISED OUTLETS

**Franchisees:**

Franchisee	Address	Territory	Contact Information
Joel Pavelis	9807 Venneford Ranch Road Highlands Ranch, CO 80126	Denver, Colorado	303-263-0566
Joel Pavelis	9807 Venneford Ranch Road Highlands Ranch, CO 80126	Douglas County, Colorado	303-263-0566
Joel Pavelis	9807 Venneford Ranch Road Highlands Ranch, CO 80126	El Paso County, Colorado	303-263-0566
Jeff Dawes	3814 Rolling Springs Dr Carmel, IN 46033	Hamilton County, Indiana	317-385-2625
Jeff Dawes	3814 Rolling Springs Dr Carmel, IN 46033	Hendricks County, Indiana	317-385-2625
Jeff Dawes	3814 Rolling Springs Dr Carmel, IN 46033	Morgan/Johnson Counties, Indiana	317-385-2625
Jeff Dawes	3814 Rolling Springs Dr Carmel, IN 46033	Hancock County, Indiana	317-385-2625
Jeff Dawes	3814 Rolling Springs Dr Carmel, IN 46033	Tippecanoe County, Indiana	317-385-2625
Gary & Delane Noll	903 Alison Ave Mechanicsburg, PA 17055	Washington County, Maryland	717-817-0694
Anneliese Gehris	2112 Reading Ave West Lawn, PA 19609	Berks/Bucks/Chester Counties, Pennsylvania	484-651-7952
Gary & Delane Noll	903 Alison Ave Mechanicsburg, PA 17055	Franklin County, Pennsylvania	717-660-1051
Joseph Ruhoff Jr.	3027 Northeast 31st Avenue, Portland, OR 97212	Multnomah County, Oregon	512-970-5305

**Franchisee Agreements signed but outlets not yet open:****None.****Franchisees who have left the system:**

Franchisee	Location	Former Territory	Contact Information
Christian Hinkle	85 Charles Drive, Windsor, PA 17366	Carroll County, Maryland	717-356-1655
Christian Hinkle	85 Charles Dr Windsor, PA 17366	Adams/York Counties, Pennsylvania	717-356-1655
Aundrea Demille	2848 Melanie Lane, Ogden, Utah, 84403	Salt Lake City, Utah	910-922-8079
Kyle & Teresa Benner Nick & Carrie Spencer	614 Lakeland Cres Yorktown VA 23693	Coastal Virginia	610-613-1263
Dave Markle	817 116th Ave SE, Lake Stevens, WA 98258	Seattle, Washington	206-498-3440

**Independent Contractors:**

Sales Representative	Location	Contact Information
Thomas Casteel	Cincinnati, Ohio	513-297-8458
Philip Cain	Blair/ Juniata/Mifflin/Perry Counties, Pennsylvania and Baltimore, Maryland	717-395-5443
Pennie Biediger Yvonne Robinson	South Houston/Ft. Bend, Texas	281-241-1192 832-298-7784

**EXHIBIT G**

**STATE ADDENDA**

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT**

The Illinois Attorney General requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the "Act"). To the extent that (i) the jurisdictional requirements of the Act are met and (ii) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

- (a) To the extent any provision regarding termination or renewal of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act §§ 815 ILCS §§ 705/19 and 705/20, the provisions of these sections of the Act will control.
- (b) No franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois, nor shall the Franchise Agreement provide for a choice of law provision for any state other than Illinois.
- (c) Any condition, stipulation, or provision purporting to bind a franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent a franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.
- (d) Item 5 and Item 7 (Initial Franchise Fee-When Due) are amended to state that we will defer collection of the Initial Franchise Fee until we have satisfied our pre-opening obligations to you, and you have commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to our financial condition.
- (e) 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

**AMENDMENT TO THE 360 TOUR DESIGNS FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS**

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the “Act”), which govern the attached 360 Tour Designs Franchise Agreement (the “Franchise Agreement”), the parties thereto agree as follows:

1. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“Section 4 of the Act provides that no franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois.”

2. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“Illinois law governs the terms of this Franchise Agreement.”

3. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

4. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“To the extent any provision regarding termination or renewal of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act §§ 815 ILCS §§ 705/19 and 705/20, the provisions of these sections of the Act will control.”

5. Section 6.1.1 of the Franchise Agreement is hereby amended to state that Franchisor shall defer collection of the Initial Franchise Fee until Franchisor has satisfied its pre-opening obligations to Franchisee, and Franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving 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

IN WITNESS WHEREOF, the parties hereto have duly executed this Illinois Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

360 TOUR DESIGNS FRANCHISING LLC

By: \_\_\_\_\_

\_\_\_\_\_Greg Drake\_\_\_\_\_, Member  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MARYLAND**

The Office of Attorney General for the State of Maryland requires that certain provisions contained in franchise documents be amended to be consistent with Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Maryland Franchise Law”). To the extent that this Disclosure Document or Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. No requirement that you agree to any release, assignment, novation, estoppel or waiver of liability as a condition to your purchasing a 360 Tour Designs franchise shall act as a release, estoppel or waiver of any liability under the Maryland Franchise Law.

2. Item 5 is amended to state:

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.

3. Item 17 is amended to state:

(a) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

(b) Pursuant to COMAR 02.02.08.16L, the general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.

(c) Our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 et. seq.).

(d) Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

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.

**THE REGISTRATION OF THIS FRANCHISE DISCLOSURE DOCUMENT WITH MARYLAND  
SECURITIES DIVISION OF THE OFFICE OF ATTORNEY GENERAL DOES NOT CONSTITUTE  
APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE SECURITIES COMMISSIONER.**

## **AMENDMENT TO THE 360 TOUR DESIGNS FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached 360 Tour Designs Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee's assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent of any inconsistencies with the Maryland Franchise Registration and Disclosure Law contained in Article 5 or Section 16.3 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Sections 6.1.1 – 6.1.3 of the Franchise Agreement are hereby amended to add:

"Based upon Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, Franchisor will defer collection of the Initial Franchise Fee and other initial fees payable to Franchisor until Franchisor has fulfilled its initial pre-opening obligations pursuant to this Agreement."

3. To the extent of any inconsistencies, Section 17.1 of the Franchise Agreement is hereby amended to further state:

"Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 et. seq.)."

4. To the extent of any inconsistencies, Section 20.3 of the Franchise Agreement is hereby amended to further state:

"Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland."

5. To the extent of any inconsistencies, Section 20.6 of the Franchise Agreement is hereby amended to further state:

"Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise."

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

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

8. 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.

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

360 TOUR DESIGNS FRANCHISING L.L.C.

By: \_\_\_\_\_

\_\_\_\_\_Greg Drake, Member

(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

**ADDENDUM TO THE**  
**360 TOUR DESIGNS FRANCHISING, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT**  
**REQUIRED BY THE STATE OF NORTH DAKOTA**

The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, NDCC § 51-19 *et seq.* ("NDFIL"). To the extent that (a) the jurisdictional requirements of the NDFIL are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

1. Covenants not to compete upon termination or expiration of the franchise agreement are subject to NDCC § 9-08-06.
2. To the extent required by the NDFIL, arbitration proceedings shall take place at a location mutually agreed upon by you and us.
3. Any requirement that you consent to liquidated damages or termination penalties shall not apply to the extent prohibited by the NDFIL;
4. Any requirement that you consent to (i) the jurisdiction of courts outside of North Dakota, (ii) the application of laws of a state other than North Dakota, (iii) waiver of jury trial or (iv) waiver of exemplary and punitive damages shall not apply to the extent prohibited by the NDFIL;
5. Any release required as a condition to a renewal of the franchise agreement shall not apply to the extent prohibited by the NDFIL;
6. Any requirement that you consent to a limitation of claims shall not apply to the extent prohibited by the NDFIL. As applicable, the statute of limitations under North Dakota law shall control.
7. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney's fees.
8. Item 17(u) of the Disclosure Document and Section 20 of the Franchise Agreement is amended to provide that arbitration and/or mediation shall be held at a site that is agreeable to all parties.
9. In the State of North Dakota, we will defer the payment of the initial franchise fee, any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.
10. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving 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.

The parties hereto have duly executed this North Dakota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

360 TOUR DESIGNS FRANCHISING, LLC

By: \_\_\_\_\_

\_\_\_\_\_  
Greg Drake \_\_\_\_\_, CEO  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

## **VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for 360 Tour Designs Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement 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.

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

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**REQUIRED BY THE STATE OF WASHINGTON**

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Item 5 amended to state that we will defer collection of initial fees until we have fulfilled our initial pre-opening obligations and you are open for business.

Exhibit H-2 (Franchisee Acknowledgement Statement) is hereby amended to state that the Acknowledgement does not waive any liability the Franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

**AMENDMENT TO THE 360 TOUR DESIGNS FRANCHISING LLC**  
**FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WASHINGTON**

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Section 6.1.1 – 6.1.3 of the Franchise Agreement relating the payment of initial fees are hereby amended to state that Franchisor will defer collection of initial fees until Franchisor has fulfilled its initial pre-opening obligations and Franchisee is open for business.

The parties hereto have duly executed this Washington Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

360 TOUR DESIGNS FRANCHISING, LLC

By: \_\_\_\_\_

\_\_\_\_\_Greg Drake\_\_\_\_\_, \_\_\_\_\_Member\_\_\_\_\_  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

**\*NOT FOR USE IN MARYLAND.**

**EXHIBIT H-1**

**360 TOUR DESIGNS FRANCHISEE ACKNOWLEDGEMENT STATEMENT**

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

**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.**

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

---

Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

---

Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

---

Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents, or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

---

Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

---

Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

---

Initial

7. Franchisee acknowledges that it has received the 360 Tour Designs Franchising, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

---

Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

---

Initial

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

---

Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

---

Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

---

Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE 360 TOUR DESIGNS FRANCHISING, LLC, 360 TOUR DESIGNS IP, LLC, 360 TOUR DESIGNS HOLDING, LLC, 360 TOUR DESIGNS & MARKETING, LLC, AND ANY OF ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE.

---

Initial

**-SIGNATURES APPEAR ON FOLLOWING PAGE(S)-**

FRANCHISEE:

---

By: \_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_  
(Print Name, Title)

Date: \_\_\_\_\_

PRINCIPAL:

---

(Print Name)

Date: \_\_\_\_\_

PRINCIPAL:

---

(Print Name)

Date: \_\_\_\_\_

**EXHIBIT H-2**

**360 TOUR DESIGNS FRANCHISEE ACKNOWLEDGEMENT STATEMENT**

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

**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.**

**Acknowledgement does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.**

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee.

---

Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

---

Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

---

Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents, or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

---

Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

---

Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business.

---

Initial

7. Franchisee acknowledges that it has received the 360 Tour Designs Franchising, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

---

Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

---

Initial

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

Initial

FRANCHISEE:

---

By: \_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_  
(Print Name, Title)

Date: \_\_\_\_\_

PRINCIPAL:

---

(Print Name)

Date: \_\_\_\_\_

PRINCIPAL:

---

(Print Name)

Date: \_\_\_\_\_

## **STATE EFFECTIVE DATES**

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

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

<b><u>STATE</u></b>	<b><u>EFFECTIVE DATE</u></b>
Illinois	<i>Pending</i>
Indiana	<i>Pending</i>
Maryland	<i>Pending</i>
North Dakota	<i>Pending</i>
Virginia	<i>Pending</i>
Washington	<i>Pending</i>

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

## EXHIBIT I

### RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If 360 Tour Designs Franchising, 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 requires you to receive this Franchise 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.

If 360 Tour Designs Franchising, 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 to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Greg Drake 355 North 21 <sup>st</sup> Street, Suite 105 Camp Hill, Pennsylvania, 17011 717-547-5360	Keith Bolash 355 North 21 <sup>st</sup> Street, Suite 105 Camp Hill, Pennsylvania, 17011 717-547-5360	
--	--	--

Issuance Date: April 29, 2025

I received a Disclosure Document dated April 29, 2025, that included the following Exhibits:

- EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
- EXHIBIT B: Franchise Agreement
- EXHIBIT C: Area Development Agreement
- EXHIBIT D: Financial Statements
- EXHIBIT E: Operations Manual Table of Contents
- EXHIBIT F: Franchised Outlets
- EXHIBIT G: State Addenda
- EXHIBIT H: Franchisee Acknowledgement Statement
- EXHIBIT I: Receipt

Date Received: \_\_\_\_\_  
(If other than date signed)

DATE: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Address: \_\_\_\_\_

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

Please return signed receipt to 360 Tour Designs Franchising, LLC,  
355 North 21st Street, Suite 105  
Camp Hill, Pennsylvania, 17011

**EXHIBIT I**

**RECEIPT**

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If 360 Tour Designs Franchising, 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 requires you to receive this Franchise 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.

If 360 Tour Designs Franchising, 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 to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Greg Drake 355 North 21 <sup>st</sup> Street, Suite 105 Camp Hill, Pennsylvania, 17011 717-547-5360	Keith Bolash 355 North 21 <sup>st</sup> Street, Suite 105 Camp Hill, Pennsylvania, 17011 717-547-5360	
--	--	--

Issuance Date: April 29, 2025

I received a Disclosure Document dated April 29, 2025, that included the following Exhibits:

- EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
- EXHIBIT B: Franchise Agreement
- EXHIBIT C: Area Development Agreement
- EXHIBIT D: Financial Statements
- EXHIBIT E: Operations Manual Table of Contents
- EXHIBIT F: Franchised Outlets
- EXHIBIT G: State Addenda
- EXHIBIT H: Franchisee Acknowledgement Statement
- EXHIBIT I: Receipt

Date Received: \_\_\_\_\_  
(If other than date signed)

DATE: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Address: \_\_\_\_\_

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

**KEEP FOR YOUR RECORDS**