



FRANCHISE DISCLOSURE DOCUMENT  
76 FRANCHISE GROUP LLC  
a Pennsylvania limited liability company  
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We offer development rights to solicit prospective franchisees for 76 FENCE franchisees (a fencing business which sells, furnishes and installs wood, steel, aluminum and vinyl fencing for residential and commercial customers), and to perform certain services, training and support to these franchisees according to the System and under the Marks.

The total estimated investment necessary to begin operations as a Regional Developer is between \$281,407 and \$458,389. This includes between \$260,657 and \$428,389 which must be paid to the franchisor or its affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss availability of disclosures in different formats, contact the Franchise Administration Department of 76 FRANCHISE GROUP LLC, 640 Freedom Business Center Dr., Suite 131, King of Prussia, PA 19406. The phone number for 76 FRANCHISE GROUP LLC is 610-768-0114.

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

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

Date of Issuance: January 1, 2024

## 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 Exhibit E.
<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>	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 76 FENCE 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 a 76 FENCE franchisee?</b>	Exhibit E 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 the franchisor by mediation, arbitration and/or litigation only in Pennsylvania. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Pennsylvania than in your own state.

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.

## **DISCLOSURES REQUIRED BY CONNECTICUT LAW**

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

Seller: 76 FRANCHISE GROUP LLC

Date of Disclosure Document: January 1, 2024.

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**FRANCHISE DISCLOSURE DOCUMENT**  
**76 FRANCHISE GROUP LLC**

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

To simplify the language in this Disclosure Document, “we,” “76 FENCE,” or “us” means 76 FRANCHISE GROUP LLC. “You” means the person or company that buys the franchise, including, if any, such company’s owners, partners, members, controlling shareholders, and guarantors. We were formed as a Pennsylvania limited liability company on June 16, 2023. Our principal business address is 640 Freedom Business Center Drive, Suite 131, King of Prussia, Pennsylvania 19406.

The Franchisor and Our Parents, Predecessors and Affiliates

We were organized to acquire, directly or indirectly, substantially all of the assets of our predecessor, CMS ILLINOIS, LLC (“CMS ILLINOIS”), an Illinois limited liability company, with an address of 275 Payson Street, Hoffman Estates, Illinois 60169, pursuant to a Contribution Agreement dated as of July 6, 2023 (as may be amended, supplemented or modified, the “Contribution Agreement”). CMS ILLINOIS has never offered franchises in any line of business. CMS ILLINOIS previously operated a fencing repair and installation business in the Chicago, Illinois area under the name “CMS Fencing” but converted this business to an affiliate-owned 76 FENCE business in July 2023.

Our affiliate, FRANLOGIC SCOUT DEVELOPMENT, LLC, is a franchisor entity that offers and sells women’s boutique franchised businesses under the name “SCOUT & MOLLY’S”. Its address is 640 Freedom Business Center Drive, Suite 131, King of Prussia, Pennsylvania 19406. There are 23 SCOUT & MOLLY’S franchisees in the United States.

Our affiliate, FRANLOGIC CORPORATION, is a franchise development company in the business of growing, marketing and developing different franchise concepts including the SCOUT & MOLLY’S system owned by us. Its address is 640 Freedom Business Center Drive, Suite 131, King of Prussia, PA 19406.

Our affiliate, FranSave LLC, was a franchisor company that had been offering franchises for the right to own and operate a franchise brokerage that connects franchise brands with prospective franchisees using predictive analytics based decision making and data provided by prospective franchisees. There are currently 12 franchised locations in the FranSave system in the United States. FranSave offered franchises beginning in March 2021 and ceased offering such franchises in December 2023. Its address was 640 Freedom Business Center Drive, Suite 131, King of Prussia, Pennsylvania 19406.

We operate no businesses of the type being franchised.

We have no parent companies at this time.

Agent for Service of Process

Our agents for service of process are listed on Exhibit A to this Disclosure Document.

The Franchise Offered

Since our inception, we have offered and sold franchises for businesses that sell, furnish and install wood, steel, aluminum and vinyl fencing for residential and commercial customers (each, a “unit franchisee”), and offered and sold regional developer franchises for the 76 FENCE brand. The unit

franchised businesses are sold under a separate Disclosure Document. We have never sold franchises of any other kind. We do business and intend to do business under the name 76 FENCE. We began selling franchises being offered in this Disclosure Document on January 1, 2024. We began selling unit franchised businesses on January 1, 2024. We are not currently engaged in any other business activities and have never offered franchises in any other line of business. As stated above, under a separate Franchise Disclosure Document, we are in the business of selling franchises to operate businesses that sell, furnish and install wood, steel, aluminum and vinyl fencing for residential and commercial customers according to our System and under our Marks in accordance with the Franchise Agreement ("Franchise Agreement"). "76 FENCE Franchised Business" means any fencing business operating under the System and Marks, whether owned by us or our Affiliate, or licensed or franchised by us or our Affiliate. In this Disclosure Document, the 76 FENCE Franchised Business you will operate according to the terms of the Franchise Agreement is referred to as the "Franchised Business." This unit franchise program is offered and sold under a separate Disclosure Document.

Under this Disclosure Document, we are in the business of selling development rights to qualified candidates in accordance with the Regional Developer Agreement ("RDA") which is attached in Exhibit B. The RDA authorizes you (the "Regional Developer") to serve as our independent representative to solicit unit franchisees, provide training, on-going assistance and supervision to franchisees in the region designated in your RDA ("Region"). The business you will operate under the RDA is referred to as the "Office." Under the RDA you must operate your own Franchised Business as well as solicit and obtain a minimum number of unit franchisees in accordance with the Development Schedule in Exhibit B of the RDA. You will sign a Franchise Agreement with us for your Franchised Business at the same time you sign the RDA. A Franchise Agreement will be signed only by us and the unit franchisee for each 76 FENCE Franchised Business. As compensation for these services, you as Regional Developer will receive a portion of fees paid by unit franchisees whose Territory is located within the Region.

If you become a Regional Developer, are in compliance with the terms of the RDA, and perform all of your obligations, you will be paid a portion of the Initial Franchise Fee paid by franchisees whose Territories are within your Region ("Initial Franchise Fee Commission"). For every potential franchisee that you solicit through personal advertising or networking and if you further assist that potential franchisee through discovery, you will be paid Fifty Percent (50%) from the Initial Franchise Fee the franchisee pays to us.

You are not permitted to market the Office or solicit prospective 76 FENCE unit franchisees through broker, coaching or consulting networks.

In no event will you be paid any of the amounts described above until we collect the Initial Franchise Fee from the franchisee. In the event that we refund any amount of the Initial Franchise Fee back to the franchisee, you will be required to refund to us a pro rata amount. You do not have the right to grant, sell or negotiate the sale of a unit franchise.

In addition, so long as you are in compliance with the terms of the RDA, you will receive half of the Royalty Fees paid by all 76 FENCE Franchised Businesses whose Territories are within your Region so long as you provide the required training, assistance and supervision ("Royalty Fees Commission"). Currently, the Royalty Fees paid by Franchisees to Franchisor are greater of eight percent (8%) of Gross Sales or a minimum royalty of \$250 per week and of that, 50% will be paid to you as the Regional Developer as Royalty Fee Commissions. You also will receive the same portion of the Royalty Fees paid by your Franchised Business pursuant to the Franchise Agreement you sign. If you do not provide the written reports or provide the services required under the RDA, you will not be entitled to receive the Royalty Fee Commission with respect to the Royalty Fees paid by the 76 FENCE Franchised Businesses for the period during which the reports or other services were not provided or performed.



We do not grant the Regional Developers any management responsibilities relating to the sale or operation of franchises and therefore, disclosure regarding these Regional Developers is not required in Item 2.

“System” means a specially developed method of operating a fencing business as well as operating a development business to solicit, provide services to and train unit franchisees. This includes confidential operating procedures, methods and techniques for financial controls, record keeping, billing and collection procedures and process, accounting and reporting, personnel management, sales marketing and advertising, training and development materials, proprietary database, all software including our designated software, and the proprietary know-how developed by Franchisor and its Affiliates, and any of which may be changed, improved, modified and further developed by Franchisor or its Affiliates from time to time.

“Marks” means such service marks, trademarks, trade dress, trade names, and copyrights and all configurations and derivations, as may presently exist, or which may be modified, changed, or acquired by us or our affiliates, in connection with the operation of the business contemplated by the Franchise Agreement. Marks currently include “76 FENCE.” You will do business under the fictitious or assumed name of "76 FENCE" or any other name that we decide to use in the future.

### General Description of the Market and Competition

You will solicit, train and provide services to franchisees who will operate a fencing business that installs wood, steel, aluminum and vinyl fencing for residential and commercial customers. You may have to compete with other businesses offering similar products and services, including franchised operations, national chains and independently owned companies. Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict.

### Applicable Regulations

There are specific regulations pertaining to this industry and you must comply with all local, state and federal codes and regulations and all Environmental Protection Agency (“EPA”) and other environmental regulations pertaining to the Franchised Business. You may be required by local and state authorities to obtain certain permits, registrations, certifications or licenses to operate a Fencing Business.

In some markets, unit franchisees will be required to hold a contractor’s license or a specific fencing contractor’s license in order to deliver the fencing installation services and products. For example, such states may include Alabama, Arkansas, Arizona, California, Florida, Georgia, Hawaii, Louisiana, Nevada, Ohio, Tennessee, Utah, Virginia and Washington. This list is not exhaustive and is subject to change. You should inquire with qualified legal counsel or advisors in your market who are familiar with your county, city and state laws.

You should consult with local agencies and/or your attorney. You must obtain any required licenses and permits and ensure that your employees and others providing services associated with the Franchised Business to customers have all required licenses and permits, relating to the operation of your Franchised Business. In the event we are required to sit on your board in order for you to obtain the requisite permits, registrations or licenses, we will not acquire any ownership or voting rights on the board. However, as a condition to sitting on your board, we will require you to use a third-party professional services organization that will be responsible for handling your payroll and to assist you with your obligations to comply with various state employment law. Once you obtain your own permits, registrations, and licenses, we will resign from your board. The federal Occupational Safety and Health Administration requires that you maintain a copy of a Material Safety Data Sheets in each vehicle you operate. These sheets provide the basic information to protect the safety and health of you and your

employees. The failure to maintain the proper licensing and permits is a material breach of the Franchise Agreement. You are responsible for complying with all applicable laws and regulations. You should research these requirements before you invest.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Ed Samane, Chief Executive Officer.**

Chief Executive Officer: July 2023 to present.

Chief Executive Officer for Franlogic Scout Development LLC: March 2017 to present.

Chief Executive Officer and President: March 2014 to March 2017.

Chief Executive Officer of Pro Martial Arts Franchise Corporation: January 28, 2008 to present.

### **Wayne Scherger, President and Chief Operating Officer**

President and Chief Operating Officer: December 2023 to present.

Chief Operating Office, Fresh Coat: December 2022 to present.

Chairperson, Peer Group Forums International (Norcross, Georgia): September 2018 to present.

Executive business coach, Next Steps Systems (Atlanta, Georgia): July 2011 to present.

### **Patrick Brouillette, Founder and Vice President**

Founder and Vice President: July 2023 to present.

Chief Executive Officer CMS Illinois LLC March 2020 – present

National Sales Director Stanley Black & Decker January 2019 – March 2020

Regional Sales Manager Crestron Electronics December 2016 – January 2019

### **Judimarie Thomas, Vice President of Marketing and Communications**

Vice President of Marketing and Communications, July 2023 to present.

Vice President of Marketing and Communications, Franlogic Scout Development, LLC, July 2022 to present.

Senior Director of Communications, Independence Blue Cross, June 2006 to December 2018.

### **John Simon, Executive Vice President**

Executive Vice President, July 2023 to present.

Executive Vice President for Franlogic Scout Development LLC, April 2014 to present.

Chief Operations Officer, December 2017 to July 2021.

Executive Vice President of Operations, May 2015 to December 2017.

Director of Franchise Development with Rhino 7 Franchising (Cary, NC): 2014 to May 2015.

Director of Franchise Development for LineX (Huntsville, AL): 2013 to 2014.

Director of Operations, MAACO Collision and Auto Painting (King of Prussia, PA): 2009 to 2013.

## **ITEM 3 LITIGATION**

No litigation is required to be disclosed in this Item.

## **ITEM 4 BANKRUPTCY**

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

**ITEM 5 INITIAL FEES**

You must pay us a Development Fee of between \$260,657 and \$428,389 in a lump sum when you sign the RDA ("Development Fee"). The Development Fee is fully earned when paid and in no event is the Development Fee refundable. The amount of the Development Fee depends on the population of the Region that you are granted, which ranges between 2,855,240 and 11,892,576 people.

At the same time that you sign your RDA, you will also enter into a Franchise Agreement with us to operate two (2) 76 FENCE Franchised Businesses within your Region. These two (2) 76 FENCE Franchised Business count toward the number of 76 FENCE Franchised Businesses you are required to have open within your Region in accordance with the Development Schedule (described below). You will not be required to pay an additional Initial Franchise Fee for these two (2) Franchised Businesses, which must be operated by you in your Region.

**ITEM 6 OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Marketing Fee	\$1,500 per month	Monthly, paid via EFT if paid to us.	Shall be paid either to us or directly to our approved vendor.
Annual Conference Fee	\$750 per person, per conference	30 days prior to the Annual Conference	The Annual Conference Fee will be automatically charged to your credit card for each person at your Office who is required to attend (regardless of whether they attend) within 30 days prior to the date of the Annual Conference. You will be responsible for all of the expenses you and your employees incur in attending the Annual Conference. If you are a new Regional Developer, then you will pay the Annual Conference Fee at the time of initial training. We reserve the right to increase this fee upon notice to you.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if there are third party claims against us resulting from the operation of your Office. See Note 3.
Additional Training or Assistance Fees	Reasonable fee and cost	As incurred	This is for additional training we may provide from time to time or additional assistance that you need or request under the RDA. You are responsible for all travel and living expenses of the trainer. Under the RDA, if we perform any of your duties or obligations after giving you 30 days' notice of your failure to do so, we can charge this fee for each of our representatives who perform your duties. The current fee is \$600 per day.

<b>Type of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Renewal Fee	\$10,000	Concurrently with our granting a renewal of your RDA	Paid to us if you want to renew the RDA. You must also meet our then-current renewal conditions, which currently include: (i) have substantially complied with the RDA; (ii) you sign a general release; (iii) you pay a renewal fee; (iv) you sign the then-current RDA; and (v) at least 80% of your Region is developed in accordance with the Development Schedule.
Transfer Fee	\$20,000	Concurrently with the transfer of your RDA	Upon a transfer under the RDA.
Failure to Comply with the Dispute Resolution Provisions	Damages in the amount of the initial franchise fee plus costs and	As incurred	If you or your guarantors do not comply with the provisions in the Dispute Resolution Section of the Franchise Agreement.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due when you do not comply with the RDA and we have to seek assistance to enforce or defend the RDA.

Notes:

1. All fees are imposed by and are payable to us or our affiliate.
2. All fees are non-refundable. All fees are uniformly imposed.
3. If any arbitration, legal action, or other proceeding is begun for the enforcement of your Franchise Agreement, or for an alleged dispute, breach, default, or misrepresentation, under any provision of your Franchise Agreement, the prevailing party is entitled to recover reasonable attorney's fees, arbitration/court costs and all expenses even if not taxable as court costs. If we engage legal counsel for your failure to pay when due any monies owed under your Franchise Agreement or submit when due any reports, information or supporting records, or for any failure otherwise to comply with your Franchise Agreement, you must reimburse us for all of the Enforcement costs we incur.

**ITEM 7 ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

TYPE OF EXPENDITURE'	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
Development Fee	\$260,657	\$428,389	Lump sum	When you sign the RDA	Us
Office Rental and Security Deposit (Note 1)	\$1,000	\$3,000	As Incurred	Prior to Opening	Landlord
Professional Fees (Note 2)	\$1,000	\$4,000	As Incurred	Terms Vary	Accountants, lawyers, State Agencies, etc.
Training (Note 3)	\$0	\$1,000	As Incurred	Prior to Opening	Vendors
Marketing and Advertising Expenses (Note 4)	\$5,000	\$5,000	As Incurred	Terms Vary	Approved Advertising Vendors
Office Furniture, Equipment and Supplies (Note 5)	\$1,000	\$2,000	As Incurred	Prior to Opening	Vendors
Dues, Subscriptions & Business License or Permit	\$1,000	\$2,000	As Incurred	Prior to Opening	Associations, governmental agencies, suppliers
Insurance	\$250	\$500	As Incurred	As Incurred	Insurance agents
Computer Systems	\$1,500	\$2,500	As required by Supplier	As Incurred	Vendors
Additional Funds - 3 months (Note 6)	\$10,000	\$10,000	As Incurred	As Incurred	Suppliers, employees, utilities
<b>Total (Note 7)</b>	<b>\$281,407</b>	<b>\$458,389</b>			

NOTES

Note 1 Office Rental and Security Deposit. You must lease office space for your Office. Typically, we suggest you lease a furnished office suite with approximately 1,000 square feet of flex space and an office. You may use this same office as the office for your Franchised Business(es) under your Franchise Agreement(s) with us. In most cases the landlord will require a security and/or rental deposit. Usually, the landlord will require you to pay the equivalent of one month’s rent. Rental rates or deposits on an unknown location cannot be predicted in advance. However, the rental rates will most likely depend on the size and location of your office suite. These costs will vary greatly depending on the metropolitan area where

your Office will be located. These estimates are based on one month's rent for a security deposit and the first month's rent.

Note 2 Professional Fees. In addition to the professional fees you will incur for the purchase and establishment of your Office under the RDA, you may incur additional legal and accounting fees if under state franchise laws you are required to obtain your own franchise registration before you can offer to sell unit franchises in those states. You must comply with all state and federal franchise laws.

Note 3 Training. We will provide our initial training program to you free of charge, but you are required to cover your costs and expenses in attending the initial training program. You will attend the initial training for your Franchised Business at the same time. See Item 11 for more details.

Note 4 Marketing and Advertising Expenses. You are required to spend a minimum of \$1,500 per month on marketing and advertising the offer and sale of franchises in your Region. The low amount represents three months of \$1,500 per month. The high range represents a larger amount of expenditures you may feel are necessary to begin your Office.

Note 5 Office Furniture, Equipment and Supplies. The low end assumes that you lease an office suite that is already furnished. The high end assumes that you lease an office space that is not furnished.

Note 6 Additional Funds. This item estimates your initial start-up expenses during the initial period of 3 months of the operation of your Office. These expenses include telephone utilities, additional supplies, etc. These amounts do not include any of the fees or any other expenses which are already listed in the above charts and do not include an owner's salary or draw. These figures are estimates, and you may have additional expenses in order to start the business. Your costs will depend on factors including how closely you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for your products and services, the prevailing wage rates, competition, and sales level reached during the initial period.

Note 7 Total. These figures were based on the experience of our affiliate, CMS Illinois and our management's experience in franchising in general. The expenses may differ in other parts of the country. Except as described above, none of the fees listed in this Item are refundable. Your financial condition and arrangements negotiated by you and the business decisions made by you will also affect these costs. There can therefore be no assurance that the experience of a particular franchisee will correspond with the information presented above. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

We do not offer, either directly or indirectly, financing to you for any items.

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

You must operate your Office according to our System. To ensure that the System is uniformly maintained, we have established standards and specifications for you to follow which are described in our Manual. Therefore, you are required to purchase all products, services, supplies, inventory, computer systems, equipment and materials required for the operation of the Office from manufacturers, suppliers or distributors that we approve, or from other suppliers who meet our specifications and standards and to which we consent. Specification of a supplier may be conditioned on requirements relating to, among other things, frequency of delivery, standards of services, including prompt attention, as well as payments, contributions or other considerations to us, our affiliate, any advertising fund and/or otherwise, and may be temporary, in each case in our reasonable discretion. More information on criteria for approving suppliers and products than the foregoing are available upon request. We may, from time-to-time withhold, condition and/or revoke our approval of particular items or suppliers in our reasonable discretion. We have imposed these requirements in order to assure quality and uniformity of the decor and products sold to customers. Approved suppliers will be designated in the Manual or some other writing delivered to you as well as those who are revoked. We may modify the list of approved brands, products and suppliers, and will notify you, in writing, of any modification.

Neither we nor any affiliate is an approved supplier of any products or services that Regional Developers are required to purchase, but we reserve the right to do so. For the fiscal year ending December 31, 2023, we did not collect any amount from Regional Developers required purchases or leases of required. There is no designated supplier that is owned, in whole or in part, by any of our officers, but we reserve the right to do so in the future.

If you wish to purchase or lease any goods, products, equipment or supplies not approved by us as meeting our specifications, you must first notify us. We may require you to submit sufficient photographs, drawings and/or other information and samples to determine whether these goods, products, equipment or supplies meet our specifications. Our standards and specifications may impose minimum requirements for delivery, performance, design and appearance. We will advise you within a 45-day period whether these goods, products, equipment or supplies meet our specifications. We may require samples from alternate suppliers to be delivered to us or to a designated independent testing laboratory (or other place we determine) for testing before approval and use. We may also require you to pay a reasonable fee based on the cost of the test made by us or by an independent testing laboratory designated by us. We may require your proposed supplier to execute a confidentiality agreement regarding the product.

We and our affiliates reserve the right to negotiate with various vendors for quantity discount contracts which may include rebates to us or our affiliates under these contracts. You may or may not find the contracts to your advantage and may elect to participate or not to participate in them. We have the right to condition or revoke your right to participate in any supplier programs if you are in default under the RDA. We have the right to affiliate ourselves with suppliers or become an approved supplier or the sole supplier, and/or receive revenues, rebates, commissions or other benefits from purchases made by our franchisees. We did not receive any rebates during the year ending December 31, 2023. The amount of all required purchases of products and services that meet standards and specifications will represent approximately 20% of your overall purchases in opening the Office and less than 70% of your overall purchases in operating the Office.

There are currently no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms), for the benefit of the franchise system. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

In addition to the purchases or leases described above, you must buy and maintain, at your own expense, insurance coverage that we require and to meet the other insurance-related obligations. The current minimum insurance requirements are the following (a) "all risk" property insurance coverage on all assets used in the operation of the Franchised Business, which shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost, (b) workers' compensation insurance that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability coverage with a minimum limit of \$100,000 or, if higher, the statutory minimum limit as required by state law, (c) comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, the operation of the Franchised Business, or your conduct of business according to the Franchise Agreement, with a minimum liability coverage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate or, if higher, the statutory minimum limit required by state law, (d) business interruption insurance in amounts and with terms acceptable to Franchisor, (e) if the vehicle is in your name, automobile liability insurance for owned or hired vehicles, with a combined single limit of at least \$1,000,000 or, if higher, the statutory minimum limit required by state law, (f) errors and omissions insurance in amounts and with terms acceptable to Franchisor and (g) such insurance as necessary to provide coverage under the indemnity provision. The cost of coverage will vary depending on the insurance carrier's charges, terms of payment and your history. All insurance policies must name us as an additional insured party. We may, from time to time, in our sole discretion, make such changes in minimum policy limits, coverage, and endorsements as we may determine.

**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 in the Area Rep. Agreement	Disclosure Document Item
a	Site selection and acquisition/lease	Section 1.01	ITEMS 11 and 12
b	Pre-opening purchases/leases	Section 1.01	ITEMS 7 and 8
c	Site development and other pre-opening requirements	Section 2.01	ITEMS 7, 8 and 11
d	Initial and ongoing training	Section 5	ITEMS 6, 7 and 11
e	Opening	Section 2.01	ITEM 11
f,	Fees	Section 3	ITEMS 5, 6 and 7
g	Compliance with standards and policies/Operating Manual	Sections 6 and 7	ITEMS 8, 14 and 16
h	Trademarks and proprietary information	Section 10	ITEMS 13 and 14
i	Restrictions on products/services offered	Section 6	ITEMS 8 and 16
J	Warranty and customer service requirements	Section 6.06	ITEM 16
k	Territorial development	Section 2	ITEM 12
l	Ongoing product/service purchases	Not applicable	ITEMS 8 and 11
m	Maintenance, appearance and remodeling requirements	Not applicable	ITEM 6



n	Insurance	Section 7.03	ITEMS 6, 7 and 8
o	Advertising	Section 6.04	ITEMS 6, 7 and 11
p	Indemnification	Section 15.01	ITEM 6
q	Owner's participation/management/	Section 6	ITEM 15
r	Records and reports	Section 8	ITEM 11
s	Inspections and audits	Section 8	ITEMS 6, 11 and 13
t	Transfer	Section 14	ITEMS 6 and 17
u	Renewal	Section 4	ITEM 17
v	Post-termination obligations	Section 12	ITEM 17
w	Non-competition covenants	Section 13	ITEM 17
x	Dispute resolution	Section 17.10	ITEM 17

### **ITEM 10 FINANCING**

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

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

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

#### **Pre-Opening Assistance**

Before you open your Office, we will:

(1) Approve the location of your Office. We will approve or disapprove your site of your Office within 120 days of submission. The factors we consider in approving sites are factors such as general location, lease term, size, and parking. Your Office must have approximately 1,000 square feet of flex space, an office and space for a training facility for unit franchisees. You may use this same office as the office for your Franchised Business(es) under your Franchise Agreement(s) with us. If we do not agree on a site, then you can submit multiple sites until we reach an agreement. Neither we nor any of our employees have special expertise in selecting sites, we make no representations that your Office will be profitable or successful by being located at the approved location. Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience. You are primarily responsible for investigating the site and having any leases or sale contract for the site reviewed and approved by your attorney. You must open your Office for business at a site that we have approved within 150 days of signing the RDA or we have the right to terminate the RDA (RDA - Section 1.01).

(2) Designate your Region (RDA - Section 1.01).

(3) Provide an initial training program for you and your designated manager, if trained at the same time you are trained (RDA - Section 5).

(4) Other than the initial training program, we do not provide any products or services directly to you. Our Affiliate does not provide any products to you. We will provide you with the names of approved suppliers and the written specification for all of the products, equipment and services you will need. We do not or install any of these items.

(5) Provide to you, on loan, one copy of the Operations Manual ("Manual"), as described below (RDA - Section 5.04).

(6) We may establish a social media account on your behalf and allow you to be an administrator of or use such social media account, but we must approve all content and can remove any content in our sole discretion. (RDA - Section 10.04).

### **Time for Opening the Office**

As soon as you or your Principal Owner completes the initial training program, your Office is considered open for business. We estimate that the typical length of time between signing of the RDA and the opening of your Office is approximately 90 to 120 days. Factors affecting the length of time usually include satisfactorily completing the initial training, obtaining all necessary equipment and supplies, and obtaining all necessary licenses or permits (in the event they are required). The opening of the Office may be delayed only if such delay is caused by contingencies not within your control, such as acts of God, governmental restrictions, strikes or labor disputes. You will use your best efforts to cure any such delay and any such delay in opening shall be for a period of days equal to number of days during which such event actually prevents completion. You must notify us of any such delays promptly. You must open within 150 days after you sign the RDA or we have the right to terminate the RDA.

### **Post-Opening Assistance**

After the opening of the Office, we will

- (1) Provide a reasonable amount of support via telephone, email, conference calls and on-line training (RDA — Section 5.02).
- (2) Provide you with the Disclosure Document for the 76 FENCE Franchised Business which is updated in compliance with applicable laws and use our best efforts to maintain the effectiveness of any state franchise registration which is required for your Region (RDA — Section 7.01).
- (3) Continue to lend you the Manual (RDA — Section 5.04).
- (4) Make available to you from time to time advertising materials we prepare for use by franchisees generally. You may use such materials in any local advertising. You will pay for all associated costs. (Franchise Agreement - Sections 6.04 and 7.04).

The Manual may be in paper or electronic form, and includes any other items as may be provided, added to, changed, modified or otherwise revised by us from time to time. It contains or describes the standards, methods, procedures and specifications of the System, including other operations, administration and managers' manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, us. The Manual is confidential and remains our property. You will operate your Office in strict compliance with those operational systems, procedures, policies, methods and requirements found in the Manual which are designated as mandatory and in any supplemental bulletins and

notices, revisions, modifications, or amendments to the Manual, which we may provide to you in writing, either in document or electronic form, all of which are a part of the Manual.

You must treat the Manual, any other manuals or written materials provided by us or our Affiliate for use in the operation of the Office, (in any format whatsoever, including but not limited to electronically, via the Internet, hard copy, etc.) and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part or otherwise make them available to any unauthorized person. The Manual must be kept in a secure place within your Office. It must be returned to us upon termination or expiration of your RDA.

We have the right to make additions to, deletions from or revisions to the Manual which you have to comply with at your own cost. You must ensure that the Manual is kept current at all times. If there is any dispute as to the contents of the Manual, the terms of the master copy maintained by us, at our principal office, will be controlling. The table of contents of the Manual, including allocation of pages to each subject, is included as Exhibit C to this Disclosure Document. As of the date of this Disclosure Document, the Manual is 75 pages.

## **Advertising**

### Marketing Fund

To assist in our regional and national advertising, we have developed a System-wide marketing fund ("Marketing Fund" or "Fund"). Regional Developers do not pay into this Marketing Fund. However, all 76 FENCE Franchised Businesses must contribute a weekly Marketing Fund Contribution into the Marketing Fund, including those operated by Regional Developers. You will contribute to the Marketing Fund as a franchisee under the Franchise Agreement for your Franchised Business. The details of the Marketing Fund are described in the separate Disclosure Document that offers the unit franchise program. You may receive such Disclosure Document at the same time as you receive this Disclosure Document.

We do not have a franchisee advertising advisory council that advises us on advertising policies. We do not have to spend any amount on advertising in your Region.

### Local Advertising

You are required to spend at least \$1,500 per month on local advertising ("Marketing Fee") to solicit potential franchisees. You must keep your receipts showing such expenditures and will provide them to us upon request. (RDA — Section 6.04).

Other than as described above, you do not need to spend a minimum amount on local advertising. You must submit all of your own advertising, marketing and sale promotion materials to us for prior consent. If you do not receive written approval of submitted materials within 20 days after we receive them, we will be deemed to have rejected the materials. You will not advertise or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark, and service mark symbols ("©", "®", "TM" or "SM").

## **Computer Hardware and Software**

You are required to use a point of sale ("POS") software approved by us and hardware approved by us and you are required to provide access to your accounting system through QuickBooks Online. (RDA – Section 6.02). The cost to purchase the required equipment and software will range from \$1,500 to \$2,500 depending on the type of franchise and hardware selection. We may be a vendor for

certain computer/POS hardware or software. The software for your POS is commercially produced software but we retain the right to require you to use proprietary software in the future should it be developed.

Current computer system requirements are also updated from time to time in the Manual. As the current computer system requirements change, you may be required to upgrade or update your hardware and software. There are no restrictions on the frequency or the cost of upgrading. You agree to maintain a connection of your POS to the internet and pay all expenses including hardware and software licenses to maintain that connection. You must have access to a computer loaded with Excel and Word, or which can export into Excel or Word compatible files. You must make available to us in the format we request the data from your POS and computer system, or otherwise, if we request, at your expense, allow us to directly connect to your system. We will have independent access to the information generated and stored in the systems. If you fail to provide us with access, we may charge a fee of \$250 per month until you provide us with access. (RDA – Section 7.05).

You will be given one 76 FENCE email address that must be monitored and managed by you and/or your Manager. (RDA – Section 10.04).

**Training**

You and your Manager must satisfactorily complete the initial training program for Regional Developers within 120 days of the date you sign the Franchise Agreement. You do not pay us for this training. The training programs are conducted on an as needed basis and are provided virtually. You will attend the initial training for your Franchised Business at the same time. (RDA – Section 5.01).

**TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On The Job Training</b>	<b>Location</b>
Introduction to Fence Market <ul style="list-style-type: none"> <li>- Industry Trends</li> <li>- Customer Profiles</li> <li>- Material Types</li> <li>- Project Types</li> <li>- Subcontractors</li> <li>- Suppliers</li> <li>- Vendors</li> <li>- Technology</li> </ul>	10	0	King of Prussia, Pennsylvania, or at a location we designate
Sales 101 Foundation/ Sales Acumen Applied to Home Services and Fencing	5	0	King of Prussia, Pennsylvania, or at a location we designate
Sales Process <ul style="list-style-type: none"> <li>- Leads</li> <li>- Appointments</li> <li>- Estimates</li> <li>- Close</li> </ul>	5	0	King of Prussia, Pennsylvania, or at a location we designate
Overcoming Objections (Role Play)	5	0	King of Prussia, Pennsylvania, or at a location we designate
Closing Strategies	5	0	King of Prussia, Pennsylvania, or at a location we designate

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On The Job Training</b>	<b>Location</b>
Following up on Pending Deals	5	0	King of Prussia, Pennsylvania, or at a location we designate
Sales Cycle and Buying Habits	5	0	King of Prussia, Pennsylvania, or at a location we designate
Franchisee support Franchisee training Coaching and communication Franchise recruiting and sales Goals and metrics	8	0	King of Prussia, Pennsylvania, or at a location we designate
<b>TOTAL</b>	<b>48</b>	<b>0</b>	

Training will be conducted by Ed Samane, Patrick Brouillette, and John Simon, as well as other staff members. Below is a chart with the trainers and their years' of experience in the topics they will teach at training:

<b>Trainer</b>	<b>Experience with Us</b>	<b>Experience in Industry</b>
Ed Samane	Less than 1 year	15 years
Patrick Brouillette	Less than 1 year	4 years
John Simon	Less than 1 year	30 years

Periodically, you, your designated managers and/or employees must attend refresher-training programs to be conducted at our headquarters or another location we designate Attendance at these programs will be at your expense. Lastly, we may have annual conferences. Attendance at the Annual Conference is mandatory for you and your Manager. The Annual Conference Fee is currently \$750 per person and it can be increased at our discretion. The Annual Conference Fee will be automatically charged to your credit card for each person at your Office who is required to attend (regardless of whether they attend) within 30 days of notification. You will be responsible for all of the expenses you and your employees incur in attending the Annual Conference. If you are a new Regional Developer, then you will pay the Annual Conference Fee at the time of initial training. (RDA – Sections 3.04 and 5.02).

### **ITEM 12 TERRITORY**

You will be granted a protected territory (“Region”) within which you will solicit potential 76 FENCE Franchised Businesses and provide training, assistance and supervision to the 76 FENCE unit franchisees whose Territories are within your Region. Your Region will contain between approximately seven (7) and thirty (30) potential Territories within the same geographic area, although the Region may not all be contained in one state. A "Territory" is a specific area designated to each 76 FENCE Franchised Business which usually contain 300,000 in population and is described by zip code(s). So long as you are not in default under the Regional Developer Agreement, we will not grant anyone else rights (including to us, any affiliate or any franchisee) to be a Regional Developer selling the same or similar goods or services under the same or similar trademarks or service marks in your Region or any area which is contained within your Region. This makes your Region an exclusive territory under franchise law. You will operate the Office from one location that we approve within the Region. You must receive our written permission before relocating.

At the same time that you sign your RDA, you will also enter into a Franchise Agreement with us to operate two (2) 76 FENCE Franchised Businesses within your Region. These two (2) 76 FENCE Franchised Business count toward the number of 76 FENCE Franchised Businesses you are required to have open within your Region in accordance with the Development Schedule (described below). You will not be required to pay an additional Initial Franchise Fee for these two (2) Franchised Businesses, which must be operated by you in your Region.

We and our affiliates retain and reserve: (i) all the rights to operate and to franchise or license to third parties the rights to operate businesses similar to a 76 FENCE Franchised Business using the Systems and/or Marks anywhere including within your Region; (ii) the right to go into any other business under the Marks or under marks different than the Marks anywhere; (iii) the right to sell services through other channels of distribution including through the Internet, telemarketing or other direct marketing; (iv) the right to sell some or all of the products and services authorized for sale by the Office in any channel of distribution the Systems and/or Marks anywhere; (v) the right to acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to a 76 FENCE Franchised Business (but under different marks), at any location; and (vi) the right to use the Marks and Systems, and license others to use the Marks and Systems, to engage in any other activities not expressly prohibited in the RDA. We are not required to pay you if we exercise any of these rights specified above except as described above.

You are not permitted to provide the services of the 76FENCE Franchised Business on the Internet or in any other alternative channel of distribution.


With regard to any of the above sales, assignments and dispositions described in the above paragraph, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of Marks (or any variation thereof) and System and/or the loss of association with or identification of "76 FENCE" as a regional developer under the RDA. If we assign our rights in the RDA, we are not required to remain in the fencing business or to offer or sell any products or services to you.

You have no options, rights of first refusal, or similar rights to acquire additional franchises. Although we and our Affiliates have the right to do so, we and our affiliates have not operated or franchised and have no plans to operate or franchise, other businesses selling or leasing similar products or services under different trademarks.

Continuation of your rights in the Region do not depend on your achieving a certain sales volume, market penetration or other contingencies except you are required to meet the Development Schedule in the RDA. Under the Development Schedule, there must be at least one (1) additional 76 FENCE Franchised Business added whose Territory is within your Region in each year that your Office is operating until all of the Territories within your Region are being operated by you or franchisees. If you do not meet the Development Schedule, we have the right to either terminate your RDA or reduce the size of your Region.

**ITEM 13 TRADEMARKS**

You receive the right to operate your business under the name, 76 FENCE, which is the primary Mark used to identify our System. We have applied for the following Marks on the U.S. Patent and Trademark Office ("USPTO") Principal Register.

MARK	SERIAL NO.	DATE OF APPLICATION
	98128420	August 11, 2023
76 FENCE	98078049	July 10, 2023

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no agreements currently in effect that significantly limit our rights to use or license the use of the Mark in any manner material to the franchise.

All necessary renewals and affidavits and renewals for the Marks have been filed as required by the United States Patent and Trademark Office. Currently, we know of no effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of any state or any court, pending infringement, opposition or cancellation, or pending material litigation involving the Marks.

We know of no infringing or prior superior uses that could materially affect the use of the Marks. You do not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your Office. You must follow our rules when you use the Marks. You must use the Marks as the sole trade identification of the Office. You cannot use a name or Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use any Marks in connection with the sale of any unauthorized services or products, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law. Any unauthorized use of the Marks by you is a breach of the RDA and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the RDA. You must not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us when you learn about an infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We will take the action we think appropriate in these situations, we have exclusive control over any settlement or proceeding concerning any Mark. You must take any actions that, in the opinion of our counsel, may be, advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks. The RDA does not require us to participate in your

defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark or if the proceeding is resolved unfavorably to you.

If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We do not have to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, signs, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your Franchised Business for the new or modified Marks at your own cost.

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

No patents are material to the franchise. We own copyrights in the Manual, our website, our marketing materials and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights. You may use these items only as we specify while operating the Office and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain trade secrets and other confidential information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating an Office. We will provide our trade secrets and other confidential information to you during training, in the Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for the purpose of operating your Office. You may only divulge trade secrets and other confidential information to employees who must have access to it to operate the Office. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements in a form we require. We will be a third-party beneficiary with the right to enforce those agreements.

All ideas, concepts, techniques or materials concerning the Office and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

Your use of the Manual, trade secrets or other confidential information in an unauthorized manner is a default of the RDA that may result in automatic termination of the RDA.

**ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS**

Your Office must always be under the direct, full-time, day-to-day supervision of a designated manager (“Manager”). If you are an individual, we may require you to be the Manager of the Office. If we require you to be the Manager, you must request our consent to select another individual to



replace you as the Manager. If you are a corporation or other business entity, you will select a Manager for the Office and we may require that the individual you select be an owner of the Office. There is no amount of equity interest that the Manager must have in the franchise entity. The Manager must attend and satisfactorily complete our initial training program before opening the Office. You must keep us informed at all times of the identity of your Manager. If you must replace the Manager, your replacement must attend and satisfactorily complete our initial training program within 45 days of starting work.

Your supervisory employees will be required to sign nondisclosure and non-competition agreements in a form acceptable to us. We will be a third-party beneficiary with the independent right to enforce the agreements.

If you are a corporation or other business entity, anyone who owns an interest in the entity and their spouses must personally guarantee the performance of all of your obligations under the RDA and agree to be personally liable for your breach of the RDA by signing the Guaranty and Assumption of Obligations attached to the RDA.

**ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer the services we specify. You may not sell any services that we have not authorized and you must discontinue offering any services that we may disapprove. We may take action, including terminating your RDA if you purchase or sell unapproved services or make purchases from unapproved suppliers. There are no limits to our rights to change the required or authorized services or products which you must provide. You will be required to comply within 30 days of notification.

You are not permitted to market the Office or solicit prospective 76 FENCE unit franchisees through broker, coaching or consulting networks.

You must accept approved prospective franchisee leads as 76 FENCE Franchised Businesses in your Region if provided to you by us or our approved development vendor.

**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 agreement attached to this Disclosure Document,**

<b>PROVISION</b>	<b>SECTION IN AREA REP. AGREEMENT</b>	<b>SUMMARY</b>
a. Length of the franchise term	Section 4	The initial term for the RDA is 10 years.
b. Renewal or extension	Section 4	1 term of 10 years.
c. Requirement for franchisee to renew or extend	Section 4	In order to renew the RDA, you must: (i) have substantially complied with the RDA; (ii) you sign a general release; (iii) you pay a renewal fee; (iv) you sign the then-current RDA; and (v) at least 80% of your Region is developed in accordance with the Development Schedule.

<b>PROVISION</b>	<b>SECTION IN AREA REP. AGREEMENT</b>	<b>SUMMARY</b>
d. Termination by franchisee	Not Applicable	Not Applicable.
e. Termination by franchisor without cause	Not Applicable	Not Applicable.
f. Termination by franchisor with cause	Section 11	If you generally breach the RDA and do not cure.
g. "Cause" defined—curable defaults	Section 11	We may terminate the RDA after providing you with a period to cure for the following defaults: (i) failure to pay any amount owed to us after a 10-day cure period; or (ii) failure to comply with a provision of the RDA after a 30-day cure period.
h. "Cause" defined — non-curable defaults	Section 11	We may terminate the RDA without providing you with a period to cure for the following defaults: (i) unauthorized transfer; (ii) violation of criminal law; (iii) bankruptcy or insolvency; (iv) assignment for the benefit of creditors; (v) abandonment; (vi) commission of an act that materially impairs the goodwill of the Marks or System; (vii) more than 3 defaults in any 18-month period; (viii) commission of an act that materially and adversely affects the interests of the Franchisor.
i. Franchisee's obligations on termination/non-renewal	Section 12	Upon termination or expiration of the RDA, you must: (i) return all proprietary materials including materials regarding the Office and the 76 FENCE Franchised Businesses within the Region or containing Confidential Information or the Marks; (ii) cease operating the Office and the Franchised Business(es); (iii) cease using the Marks and System; (iv) pay any amounts owed.
j. Assignment of contract by	Section 14.04	There are no restrictions on our right to assign our interest in the RDA.
k. "Transfer" by franchisee—definition	Section 14.01	Transfer includes transfer of interest in you, the RDA or the Office's assets.
l. Franchisor's approval of transfer by franchisee	Section 14.01	You may not Transfer without our prior written consent.

<b>PROVISION</b>	<b>SECTION IN AREA REP. AGREEMENT</b>	<b>SUMMARY</b>
m. Conditions for franchisor approval of transfer	Section 14.01	Transfer conditions include: (i) assignee assumes your obligations; (ii) you have complied with the RDA and all other agreements with us or our affiliate; (iii) assignee signs our then-current RDA; (iv) you pay a transfer fee; (v) assignee completes training; (vi) you sign a general release; (vii) assignee meets our qualifications; and (viii) owners of the assignee sign a guaranty. We may withhold our consent if the purchase price or other terms of the sale are not economically feasible.
n. Franchisor's right of first refusal to acquire franchisee's business	Not applicable	Not applicable.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable.
p. Death or disability of franchisee	Section 14.02	Transfer to heirs or personal representative must comply with being of good moral character, taking the training, and assuming the liability under the RDA.
q. Non-competition covenants during the term of the franchise	Section 13.01	No involvement in a Competitive Business (as defined in the RDA). This provision is subject to state law.
r. Non-competition covenant after the franchise is terminated or expires	Section 13.02 and 13.03	No involvement in a Competitive Business for 2 years within your Region and any other 76 FENCE Franchised Business's Territory or Regional Developer's Region. 2-year non-solicitation. This provision is subject to state law.
s. Modification of the agreement	Section 17.09	The RDA can be modified only by written agreement between you and us. We may modify the Manual without your consent.
t. Integration/merger clause	Section 17.09	Only the terms of the RDA are binding (subject to state law) Any representations or promises outside of the Disclosure Document and RDA may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 17.10	Mediation and subject to state law, arbitration in King of Prussia, Pennsylvania.
v. Choice of forum	Section 17.10	Subject to state law, mediation and arbitration must be pursued in courts located in Montgomery County, Pennsylvania.
w. Choice of law	Section 17.10	Subject to state law, Pennsylvania law applies.

**ITEM 18 PUBLIC FIGURES**

We do not presently 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.

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 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 Ed Samane, 640 Freedom Business Center Drive, Suite 131, King of Prussia, PA 19406 or 844-476-7776, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20 OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
Systemwide Outlet Summary For Years 2021 to 2023**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
<b>Total Outlets</b>	2021	0	0	0
	2022	0	0	0
	2023	0	0	0

**Table No. 2  
Transfer of Outlets from Franchisees to New Owners (other than the Franchisor)  
For years 2021 to 2023**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>Total</b>	<b>2021</b>	<b>0</b>
	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>

**Table No. 3**  
**Status of Franchised Outlets For years 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
<b>Total</b>	<b>2021</b>	0	0	0	0	0	0	0
	<b>2022</b>	0	0	0	0	0	0	0
	<b>2023</b>	0	0	0	0	0	0	0

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For years 2021 to 2023**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
<b>Total</b>	<b>2021</b>	0	0	0	0	0	0
	<b>2022</b>	0	0	0	0	0	0
	<b>2023</b>	0	0	0	0	0	0

**Table No. 5**  
**Projected Openings As Of December 31, 2023**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Pennsylvania	0	3	0
<b>Total</b>	0	3	0

Exhibit E lists the names, addresses and telephone numbers of all of our Regional Developers. Exhibit E also lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every Regional Developer who had an outlet terminated, canceled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under the RDA during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not signed confidentiality clauses with any current or former franchisees.

There are no trademark-specific franchisee organizations associated with the franchise system being offered which we have created, sponsored, or endorsed.

There are no independent franchisee organizations that have been asked to be included in this Disclosure Document.

**ITEM 21 FINANCIAL STATEMENTS**

Attached as Exhibit D is our unaudited opening day balance sheet as of January 1, 2024. Our fiscal year end is December 31. We have not been franchising for three years so we cannot provide additional financial statements.

**ITEM 22 CONTRACTS**

The following are attached to this Disclosure Document:

Exhibit B: Regional Developer Agreement

Exhibit F: State Law Addenda

Exhibit G: Release

**ITEM 23 RECEIPTS**

You will find copies of a detachable receipt in Exhibit H at the very end of this Disclosure Document. Please sign both acknowledging receipt of this Disclosure Document and return one of them to us for our files.

**EXHIBIT A**  
**LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS**

NOTE: SOME STATES REQUIRED THAT THE FRANCHISE BE REGISTERED WITH A STATE AGENCY. WE DO NOT OFFER OR SELL FRANCHISES IN ANY OF THOSE STATES UNLESS WE ARE REGISTERED, AND THE LISTING OF A STATE BELOW DOES NOT MEAN THAT WE ARE SO REGISTERED.

**LIST OF STATE AGENCIES**

**California**

Dept. of Financial Protection  
and Innovation  
One Sansome Street, Ste. 600  
San Francisco, CA 94104 (866)  
275-2677

**Florida**

Dept. of Agriculture &  
Consumer Services  
Division of Consumer Affairs  
227 N. Bronough St., 7<sup>th</sup> Fl.  
Tallahassee, FL 32301  
(904) 922-2770

**Hawaii**

Department of Commerce &  
Consumer Affairs  
Business Registration Div.  
335 Merchant Street, Rm 203  
Honolulu, HI 96813  
(808) 586-2722

**Illinois**

Office of Attorney General  
Franchise Division  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-4465

**Indiana**

Indiana Secretary of State  
Securities Division  
302 West Washington St.  
Rm E-111  
Indianapolis, Indiana 46204  
(317) 232-6531

**Maryland**

Office of the Attorney  
General  
Securities Division  
200 St. Paul Place  
Baltimore, MD 21202  
(401) 576-6360

**Michigan**

Attorney General  
Consumer Protection  
Division, Franchise Unit  
525 Ottawa Street  
G. Mennen Williams Bldg,  
Lansing, Michigan 48909  
(517) 373-7117

**Minnesota**

Dept of Commerce Securities-  
Franchise Registration  
85 7<sup>th</sup> Place East, Suite 280 St.  
Paul, Minnesota 55101  
(651) 539-1600

**New York**

NY State Attorney General  
Division of Economic Justice  
Investor Protection Bureau 28  
Liberty Street  
New York, New York 10005  
(212) 416-8211

**North Dakota**

North Dakota Securities Dpt.  
600 East Boulevard Avenue  
State Capitol – 5<sup>th</sup> Floor  
Bismarck, ND 58505-0510  
(701) 328-4712

**Rhode Island**

Division of Securities John O.  
Pastore Complex 1511 Pontiac  
Avenue Building 69, 1<sup>st</sup> Floor  
Cranston, RI 02920 (402) 222-  
3048

**South Dakota**

Dept. of Labor & Regulation  
Division of Securities  
124 S. Euclid, Suite 104 Pierre,  
South Dakota 57501  
(605) 773-4823

**Virginia**

State Corporation Comm.  
Division of Securities and Retail  
Franchising  
Tyler Building, 9<sup>th</sup> Floor 1300  
East Main Street Richmond,  
Virginia 23219 (804) 371-9672

**Washington**

Dept. of Financial Institutions  
Securities Division  
150 Israel Road Southwest  
Olympia, Washington 98501  
(360) 902-8760

**Wisconsin**

Division of Securities  
Dept. of Financial Institutions  
345 West Washington Ave.  
Madison, Wisconsin 53703  
(608) 261-9555

## LIST OF STATE AGENTS FOR SERVICE OF PROCESS

### California

Commissioner of the Department of  
Financial Protection and Innovation  
320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, CA 90013  
(866) 275-2677

### Hawaii

Commissioner of Securities Business  
Registration Division Securities Compliance  
Branch 335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
(808) 586-2722

### Illinois

Illinois Attorney General  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-1090

### Indiana

Indiana Secretary of State  
302 West Washington Street, Room E-111  
Indianapolis, Indiana 46204  
(317) 232-6531

### Maryland

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, Maryland 21202  
(410) 576-6360

### Michigan

Department of Commerce  
Corporations and Securities Bureau  
6546 Mercantile Way  
Lansing, Michigan 48909  
(517) 334-6212

### Minnesota

Commissioner of Commerce  
Minnesota Department of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, Minnesota 55101  
(651) 539-1600

### New York

Secretary of the State of New York  
99 Washington Avenue  
Albany, New York 12231  
(518) 473-2492

### North Dakota

North Dakota Securities Department  
State Capitol – 5<sup>th</sup> Floor  
600 East Boulevard  
Bismarck, North Dakota 58505-0510  
(701) 328-4712

### Rhode Island

Director of Rhode Island  
Department of Business Regulations  
John O. Pastore Complex  
1511 Pontiac Avenue, Building 69, 1<sup>st</sup> Floor  
Cranston, Rhode Island 02920  
(401) 222-3048

### South Dakota

Director of South Dakota Division of Securities  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501  
(605) 773-4823

### Virginia

Clerk, State Corporation Commission  
Tyler Building, 1<sup>st</sup> Floor  
1300 East Main Street  
Richmond, Virginia 23219  
(804) 371-9672

### Washington

Director, Department of Financial Institutions  
Securities Division  
150 Israel Road Southwest  
Olympia, Washington 98501  
(360) 902-8760

### Wisconsin

Commissioner of Securities  
345 West Washington Street, 4<sup>th</sup> Floor  
Madison, Wisconsin 53703  
(608) 261-9555



**EXHIBIT B**  
**REGIONAL DEVELOPER AGREEMENT**

**76 FRANCHISE GROUP  
REGIONAL DEVELOPER AGREEMENT**

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**GUARANTY**

**EXHIBIT A REGION AND DEVELOPMENT FEE**

**EXHIBIT B DEVELOPMENT SCHEDULE**

**EXHIBIT C STATE LAW ADDENDUM**

76 FRANCHISE GROUP LLC  
REGIONAL DEVELOPER AGREEMENT

This Regional Developer Agreement made this \_\_ day of \_\_\_\_\_ 20\_\_ , is by and between 76 FRANCHISE GROUP LLC, a Pennsylvania limited liability company (“Franchisor”), with its principal office located at 640 Freedom Business Center Drive, Suite 131, King of Prussia, Pennsylvania, 19406 ("Franchisor"), and \_\_\_\_\_ an individual/ partnership/corporation/limited liability company established in the State of \_\_\_\_\_ and whose principal address is \_\_\_\_\_ ("Regional Developer").

WITNESSETH

WHEREAS, Franchisor has the right to operate and license franchisees and licensees to operate a fencing business (each, a “76 FENCE Franchised Business”) under the System and Marks as described in the Franchise Agreement (defined below),

WHEREAS, Franchisor grants certain development rights to Regional Developers to own, market and service such 76 FENCE Franchised Businesses, and

WHEREAS, Regional Developer recognizes the value of the System and the Marks (as defined in the Franchise Agreement) and the benefits which may be obtained by use of the System and the Marks and wishes to establish a business under which it will enter into a Franchise Agreement in order to operate two (2) 76 FENCE Franchised Businesses and will solicit, qualify and assist others ("Franchisee(s)") to own and operate 76 FENCE Franchised Businesses within a specific area and Franchisor wishes to grant Regional Developer said rights pursuant to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the covenants contained in this Agreement and other valuable consideration, it is hereby mutually agreed as follows

**1. GRANT OF FRANCHISE RIGHTS**

**1.01 Grant.** Subject to the terms and conditions of this Agreement and the continuing faithful performance by Regional Developer of its obligations hereunder, Franchisor grants to Regional Developer, for and during the Term, the right to own and operate a business (the "Office") which will enter into a Franchise Agreement in order to operate two (2) 76 FENCE Franchised Businesses, and will solicit, screen, qualify for final approval by Franchisor and provide assistance to Franchisees located in the area set forth in Exhibit A attached hereto ("Region"). For purposes of this Agreement, "76 FENCE RD Businesses" are those 76 FENCE Franchised Businesses owned and operated by Regional Developer and "76 FENCE Unit Businesses" are those 76 FENCE Franchised Businesses owned and operated by Franchisees. Regional Developer will operate the Office from one location that Franchisor approves within the Region. Regional Developer must receive Franchisor's written permission before relocating. Regional Developer shall maintain and establish the office within the Region in a safe, orderly and clean state, presenting a businesslike appearance. The Office shall be properly staffed (as sound business practices dictate), furnished, and equipped in accordance with the terms of the Manual. Regional Developer shall maintain a telephone number to be used by Regional Developer exclusively for the business conducted herein. This Agreement is not a Franchise Agreement for the license to operate a 76 FENCE RD Business and Regional Developer shall have no right to use the System or the Marks in any manner other than is necessary to solicit potential franchisees and to provide assistance to franchisees in the Region, as contemplated by this Agreement.

**1.02 Exclusivity.** Provided Regional Developer is not in default of any provision of this Agreement, neither Franchisor nor any of its affiliates will, during the Term, develop or grant anyone else the right to establish an Office within the Region. Regional Developer acknowledges and agrees that the rights granted in this Agreement are limited to the Region.

**1.03 Rights Reserved.** Except as expressly set forth in Section 1.02 of this Agreement, Franchisor and its affiliates shall retain and reserve all other rights with respect to the ownership, development, operation and license of 76 FENCE Franchised Businesses, the Marks and the System including without limitation: (i) the right to franchise or license to third parties the rights to operate businesses similar to a 76 FENCE Franchised Business anywhere including within the Region; (ii) the right to go into any other business under the Marks or under marks different than the Marks anywhere; (iii) the right to sell services on the Internet; (iv) the right to sell some or all of the products and services authorized for sale in any channel of distribution the Systems and/or Marks anywhere; (v) to acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the 76 FENCE Franchised Business but under different marks), at any location; and (vi) use the Marks and Systems, and license others to use the Marks and Systems, to engage in any other activities not expressly prohibited in this Agreement. Franchisor is not required to pay Regional Developer if Franchisor exercises any of these rights specified above except as described above. Franchisee is not permitted to provide the services of the 76 FENCE Franchised Business on the Internet or in any other alternative channel of distribution.

With regard to any of the above sales, assignments and dispositions, Regional Developer expressly and specifically waives any claims, demands or damages arising from or related to the loss of any or all of the Marks and/or the System and/or the loss of association with or identification of the Marks under this Agreement. If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the fencing business.

## 2. DEVELOPMENT SCHEDULE

**2.01 Development Schedule.** Regional Developer must use its best efforts to ensure that there are the minimum number of 76 FENCE Unit Businesses as set forth in Exhibit B attached hereto ("Development Schedule") opened and operating within the Region. Further, Regional Developer must have opened and be operating two (2) 76 FENCE RD Businesses in the Region. The remainder of the 76 FENCE Franchised Businesses must be 76 FENCE Unit Businesses. All of the 76 FENCE Franchised Businesses opened and operating within the Region must be opened and operating within the time periods set forth on the Development Schedule and be in compliance with the terms of the Franchise Agreement.

Regional Developer must execute the then current form of franchise agreement ("Franchise Agreement") for each 76 FENCE RD Business but the initial franchise fee the first 76 FENCE RD Business it opens shall be waived. Regional Developer must execute the Franchise Agreement for the first 76 FENCE RD Business pursuant to this Agreement simultaneously with the execution of this Agreement. Each Franchisee will be required to execute the then current Franchise Agreement with Franchisor for each of 76 FENCE Unit Businesses and pay Franchisor the then-current initial franchise fee. This Agreement does not give Regional Developer any right to license others to operate 76 FENCE Franchised Businesses.

**2.02 Franchisor's Discretion.** Regional Developer acknowledges that the 76 FENCE Franchised Businesses must be developed and operated in accordance with Franchisor's standards. Therefore, Regional Developer agrees and recognizes that Franchisor may refuse to execute a Franchise Agreement with a potential Franchisee or Regional Developer if Franchisor believes, in its reasonable judgment,

that the potential Franchisee or Regional Developer does not have sufficient financial resources or other ability, including, but not limited to, experience, character, skill, aptitude, attitude, and business acumen sufficient to operate multiple locations, to properly develop and operate the proposed 76 FENCE Franchised Business Franchisor's approval, however, shall not be deemed a warranty of the potential Franchisee or Regional Developer's financial or other ability to develop or operate the proposed 76 FENCE Franchised Business. Regional Developer acknowledges and agrees that it is in Franchisor's sole discretion whether to grant a franchise, approve a Franchisee or approve a 76 FENCE Unit Business, however, Franchisor's approval will not be unreasonably withheld.

**2.03 Force Majeure.** Notwithstanding the foregoing, should Regional Developer be unable to meet the Development Schedule solely as the result of strikes, material shortages, fires, floods, earthquakes, and other acts of God, by force of law, or political or currency problems, which result in the inability of Regional Developer to meet the Development Schedule and which Regional Developer could not by the exercise of due diligence have avoided, the Development Schedule periods shall be extended by the amount of time during which such event shall exist

### 3. FEES

**3.01 Development Fee.** Upon execution of this Agreement, Regional Developer shall pay Franchisor a Development Fee of between \$260,657 and \$428,389, depending on the size of the Region, upon execution of this Agreement. Regional Developer shall not be entitled to any refund of payments made to Franchisor hereunder for any reason. The Development Fee is fully earned upon execution of this Agreement. The amount of the Development Fee shall be set forth on Exhibit A attached hereto.

#### **3.02 Payments to Regional Developer.**

(a) **Initial Franchise Fees Commission.** During the Term of this Agreement and so long as Regional Developer not in default under this Agreement and performs all of Regional Developer's obligations hereunder, Franchisor shall pay Regional Developer an Initial Franchise Fee Commission based on the Initial Franchise Fee paid by Franchisees whose Territories (as defined in the Franchise Agreement) are within the Region as follows:

(i) If Regional Developer solicits a potential franchisee through personal advertising or networking and assists the potential Franchisee through discovery, Regional Developer will be paid Fifty Percent (50%) from the Initial Franchise Fee the franchisee pays to Franchisor.

(ii) Regional Developer is not permitted to market the Office or solicit prospective unit franchisees through broker, coaching or consulting networks.

(b) In no event will Regional Developer be paid any of the amounts described above until Franchisor collects the Initial Franchise Fee from the franchisee. In the event that Franchisor refunds any amount of the Initial Franchise Fee back to the franchisee, Regional Developer will be required to refund to Franchisor a pro rata amount. Regional Developer does not have the right to grant, sell or negotiate the sale of a 76 FENCE Unit Business.

(c) **Royalty Fees Commission.** During the Term of the Agreement, so long as Regional Developer is not in default under this Agreement, Franchisor shall pay Regional Developer a Royalty Fees Commission based on Royalty Fees collected by Franchisor from 76 FENCE Unit Businesses located within the Region. The amount of the "Royalty Fees Commission" is 50% of the Royalty Fees paid to Franchisor pursuant to the individual Franchise Agreement of such 76 FENCE Unit Businesses. Currently, the Royalty Fees paid by Franchisees to Franchisor are greater of 8% of Gross Sales or a minimum royalty of \$250 per week and of that, 50% will be paid to Regional Developer as Royalty

Fee Commissions. Regional Developer will also receive the same portion of the Royalty Fees paid by its 76 FENCE RD Businesses pursuant to its Franchise Agreement. Notwithstanding the foregoing, if Regional Developer has not filed a written report, or provided the other services as described in Section 6 below, for any 76 FENCE Unit Business, in addition to any other rights and remedies Franchisor may have, Regional Developer shall not be entitled to receive the Royalty Fee Commission with respect to the Royalty Fees paid by such 76 FENCE Unit Business for the period during which the reports or other services were not provided or performed.

**3.03 Commissions After Termination.** All payments set forth above in Sections 3.01 and 3.02 shall cease after expiration or termination of this Agreement, except that Regional Developer shall receive all amounts which have accrued to Regional Developer as of the effective date of such expiration or termination.

**3.04 Annual Conference Fee.** Regional Developer is required to pay the then-current Annual Conference Fee, which is currently \$750 per person per conference. The Annual Conference Fee will be automatically charged to Franchisee's credit card for each person at the Office who is required to attend (regardless of whether they attend) within 30 days prior to the date of the Annual Conference. Regional Developer will be responsible for all of the expenses that employees incur in attending the Annual Conference. If Regional Developer is a new Regional Developer, then you Regional Developer will pay the Annual Conference Fee at the time of initial training. Franchisor reserves the right to increase this fee upon notice to Regional Developer.

**3.05 Manner and Application of Payment.** All payments to Regional Developer shall be paid weekly based on the amounts collected by Franchisor in the prior week. Payments to Regional Developer are based on amounts actually collected from Franchisees and not on payments accrued, due or owing. In the event of any payments received from a Franchisee for any past due amounts, Regional Developer shall be entitled to its pro rata share of such payments, less the pro rata share of the costs of collection. Amounts put in escrow or deferred are not considered collected until these funds are actually paid to Franchisor. In the event of a termination of a Franchise Agreement within the Region under circumstances whereby the Franchisee is entitled to the return of all or part of the Initial Franchise Fee or Royalty Fees paid to Franchisor, Franchisor may deduct the portion of the amount to be returned to the Franchisee in the same proportion as the Regional Developer shared in the Initial Franchise Fee Commission or Royalty Fees Commission from any future amounts owed to Regional Developer.

**3.06 Setoffs.** Regional Developer may not set off amounts Regional Developer owes to Franchisor against any monies owed by Franchisor to Regional Developer. However, Franchisor shall be allowed to set off amounts Franchisor owes to Regional Developer against any monies owed to Franchisor by Regional Developer.

#### 4. TERM

The term of this Agreement (the "Initial Term") shall be for a period of ten (10) years, commencing on the Effective Date, unless sooner terminated in accordance with the provisions of this Agreement. Regional Developer may extend the Initial Term one (1) time (an "Option Term" and collectively with the Initial Term, all terms hereinafter the "Term") for an additional ten (10) year period, so long as prior to the expiration of the Initial Term, each of the following conditions is met or waived by Franchisor, in its sole discretion (i) Regional Developer has substantially complied with the Development Schedule and all other terms and conditions of this Agreement, (ii) Regional Developer and each of its owners sign a general release in a form acceptable to Franchisor, (iii) Regional Developer has paid a renewal fee of Ten Thousand Dollars (\$10,000), (iv) Regional Developer signs the then current Regional Developer Agreement; and (v) at least 80% of the Region is developed in accordance with the Development Schedule. Under the general release, Regional

Developer and its owners shall waive any and all claims against Franchisor and Franchisor's affiliates and each of the foregoing's respective shareholders, members, managers, directors, officers, employees, agents, successors and assigns. If Regional Developer wishes to extend the Term, Regional Developer must notify Franchisor in writing no more than one hundred eighty (180) days and no less than ninety (90) days before the Initial Term would otherwise expire.

## 5. OBLIGATIONS OF FRANCHISOR

**5.01 Initial Training.** Franchisor shall provide training and opening assistance to Regional Developer and one employee who attend the initial training at the same time as Regional Developer for the first 76 FENCE RD Business only in accordance with the terms of the Franchise Agreement.

**5.02 Initial Regional Developer Training.** Franchisor shall provide training for the operation of the Office to Regional Developer and one employee who attends the initial training at the same time as Regional Developer. Regional Developer must satisfactorily complete this Regional Developer Training prior to soliciting Franchisees in the Region. The Office is considered open for business upon the satisfactory completion of this training. If Franchisor determines that Regional Developer has not completed the Initial Regional Developer Training to its sole satisfaction, Franchisor may require Regional Developer to attend additional training at Regional Developer's sole expense. If Regional Developer fails to satisfactorily complete the training program, Franchisor may terminate this Agreement. Franchisor may require Regional Developer to attend additional refresher training courses each year including attending business meetings or conferences in locations Franchisor designates. Franchisor may charge a reasonable fee for these courses, conferences and programs and Regional Developer is responsible for all travel and living expenses. Franchisor reserves the right to charge and collect this fee at the time of initial training, at the time of the conference or at any other time designated by Franchisor.

**5.03 Costs of Training Program.** The training programs shall be provided to Regional Developer and staff free of charge. Regional Developer shall be solely responsible for the costs of transportation, accommodation, living expenses and salary incurred in connection with the attendance of those persons designated by it at each of the training programs, if any. Both training programs will be conducted virtually or at such other location as designated by Franchisor. This will cover the training and assistance after the initial training program.

**5.04 Confidential Operations Manual.** Franchisor shall lend to Regional Developer a copy of the Confidential Operations Manual ("Manual"). The Manual includes all updates, supplements, and any form including without limitation in oral, written or electronic form, all of which may be modified from time to time. The Manual is the property of Franchisor and may not be modified, duplicated, disclosed or disseminated in whole or in part in any manner except with Franchisor's express prior written consent. Regional Developer shall maintain the confidentiality and contents of the Manual. Regional Developer shall operate its Office in strict accordance with the mandatory requirements set forth in the Manual. Regional Developer shall not permit the Manual to be used for any purpose other than the operation of the Office.

**5.05 Modification of the Manual.** The Manual may be modified from time to time by the Franchisor in its sole discretion, and Regional Developer agrees to comply with each modification, addition or deletion of the System or the Manual at Regional Developer's sole cost and expense. Regional Developer shall insure that its copy of the Manual is kept current and up-to-date, and, 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 be controlling.

## 6. SERVICES TO BE PROVIDED BY REGIONAL DEVELOPER

**6.01 Solicitation of Franchisees.** A Regional Developer shall use its best efforts to solicit potential franchisees to purchase a franchise for a 76 FENCE Unit Franchised Business. Regional Developer acknowledges that many jurisdictions have enacted laws concerning the advertising, sales, renewal and termination of franchises including, without limitation, laws concerning disclosure requirements. Regional Developer shall promptly become aware of and comply with all such local, state and federal laws and legal requirements in force in the Region and will utilize only the Disclosure Document that Franchisor has approved for use in the applicable jurisdiction. Regional Developer will register with any state franchise regulator if required by that state law. Regional Developer is not permitted to market the Office or solicit prospective 76 FENCE unit franchisees through broker, coaching or consulting networks. Regional Developer must accept approved prospective unit franchisee leads as 76 FENCE Franchised Businesses in the Region if provided to Regional Developer by Franchisor or its approved development vendor.

**6.02 Reporting Requirements.** Regional Developer must comply with the minimum performance standards and reporting requirements as outlined in the Manual. Regional Developer must comply with the minimum performance standards and reporting requirements as outlined in the Manual. Regional Developer is required to use a point of sale (“POS”) software approved by Franchisor and hardware approved by Franchisor and Regional Developer is required to provide Franchisor with access to Regional Developer’s accounting system through QuickBooks Online.

**6.03 Additional Services.** Regional Developer shall provide any additional assistance to any of the Franchisees within the Region as reasonably requested by Franchisor, including but not limited to additional support or assistance in the operation of the 76 FENCE Unit Business and the establishment of 76 FENCE Unit Businesses. If Franchisor performs any of Regional Developer’s duties or obligations as required under this Agreement after giving Regional Developer 30 days' notice of its failure to do so, Franchisor can charge a reasonable fee. Failure to provide adequate support to unit franchisees is a material default of this Agreement.

**6.04 Marketing.** Regional Developer shall participate in all promotion and marketing activities required by Franchisor. Regional Developer is required to spend a minimum of \$1,500 (“Marketing Fee”) per month on marketing and advertising in order to solicit potential franchisees in your Region, which Franchisor may require to be paid to an approved vendor. Regional Developer must keep receipts showing such expenditures and provide them to Franchisor upon request.

**6.05 Training.** Regional Developer shall participate with Franchisor in providing the initial training and additional training to any or all of the Franchisees within its Region. The training will be conducted according to the standards set forth by the Franchisor and in accordance with the provisions of the Manual. Regional Developer shall pay Franchisor its then-current fee for additional training, which is currently \$600 per day, but is subject to change in Franchisor’s sole discretion.

**6.06 Compliance with Laws and Good Office Practices.** Regional Developer shall secure and maintain in force all required licenses, permits and certificates relating to the Office and operate in full compliance with all applicable laws, ordinances and regulations.

## 7. OPERATING STANDARDS

**7.01 Accuracy of Information.** Regional Developer shall provide such information as requested by Franchisor for inclusion in Franchisor's Disclosure Document. Regional Developer consents to Franchisor's disclosure of such information. Regional Developer represents and warrants that all of the information it provides to Franchisor for inclusion in the Disclosure Document is correct to the



best of Regional Developer's knowledge. Franchisor shall provide Regional Developer with the franchise Disclosure Document and all materials, agreements or documents and Regional Developer shall confirm that the information is true, correct and not misleading and that it does not violate any applicable state law related to the registration of the franchise offering. If Regional Developer notifies Franchisor of an error in any information, Franchisor will attempt to correct said deficiency within a reasonable period of time.

**7.02 Notification of Material Changes.** Regional Developer shall notify Franchisor in writing within five (5) days after a material change has occurred, including but not limited to the commencement of any action, suit, arbitration, proceeding or investigation, or the issuance of any order, writ, injunction, award, or decree, by any court, agency or other governmental organization which names Regional Developer or any of its owners or otherwise concerns the operation or financial condition of the Regional Developer, the Office or any Franchisee.

**7.03 Insurance** Regional Developer shall at all times during the Term maintain in force, at its sole expense, insurance for the Office of the types, in such amounts and with such terms and conditions as Franchisor may from time to time prescribe in the Manual or otherwise. All of the required insurance policies shall name Franchisor and its affiliates as additional insureds and provide that the Franchisor shall receive thirty (30) days' prior written notice of termination, expiration, cancellation, or modification of any such policy. Regional Developer shall each year provide the Franchisor with a certificate or other evidence of insurance. If Regional Developer fails to maintain such insurance, Franchisor may procure such insurance on behalf of Regional Developer, and shall be entitled to reimbursement from Regional Developer, in addition to any other rights and remedies under this Agreement. However, Franchisor is not obligated to obtain such insurance on behalf of Regional Developer. Regardless of the amounts required by Franchisor, it shall be the responsibility of Regional Developer to maintain adequate insurance coverage at all times during the Term and after the expiration or termination of this Agreement. Regional Developer should determine if additional insurance is necessary through consultation with its advisors, and Regional Developer recognizes that the recommended levels are merely minimum requirements. Failure of Regional Developer to maintain coverage shall not relieve it of any contractual responsibility, obligation or liability under this Agreement.

**7.04 Advertising and Marketing Materials.** Regional Developer must submit all of its own advertising and sale promotion materials (including Internet advertising) to Franchisor, for prior consent. If Franchisor does not consent to the advertising within twenty (20) days after receipt of the advertising, said advertising is deemed rejected. Franchisor may furnish Regional Developer with marketing plans and materials, including, without limitation, newspaper ads, sales aids, and other promotional and marketing materials and has the right to charge a reasonable fee for such materials. Regional Developer acknowledges and understands that certain states require the filing of franchise sales advertising materials with the appropriate state agency prior to use. Regional Developer shall comply with the appropriate state requirements. Regional Developer will not advertise or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark and service mark symbols ("©", "®", "TM" or "SM").

**7.05 Computer System.** The Office shall be equipped with appropriate computer equipment, telephone system and facsimile machine that are approved by Franchisor. Current computer system requirements are also updated from time to time in the Manual. As the current computer system requirements change, Regional Developer may be required to upgrade or update the hardware and software. There are no restrictions on the frequency or the cost of upgrading. Regional Developer agrees to maintain a connection of the point-of-sale system ("POS") to the internet and pay all expenses including hardware and software licenses to maintain that connection. Regional Developer must provide Franchisor with independent access to the information generated and stored in the computer

systems. If Regional Developer fails to provide Franchisor with access, Franchisor may charge a fee of \$250 per month until Regional Developer provides Franchisor with access.

## 8. INSPECTIONS, RECORDS AND REPORTING

**8.01** Inspections. To determine whether Regional Developer is complying with this Agreement, Franchisor (and its agents or representatives) shall have the right, at its expense, at any time during business hours, and without prior notice to Regional Developer, to inspect any or all of the Office including all books and records and any 76 FENCE Franchised Business in the Region. Regional Developer shall cooperate with the agents or representatives of Franchisor making any such inspection. Further, Franchisor is permitted to contact any existing and potential Franchisees, clients and candidates.

**8.02** Right to Audit Books. Franchisor shall be entitled to examine and audit all records pertaining to the operation of the Office at any time upon reasonable notice. For this purpose, all financial records and tax returns of the Regional Developer shall be made available to Franchisor upon request. If Regional Developer is a partnership, limited liability company or corporation, all records and income tax returns of the partners, members or the corporate officers and shareholders with a 10% or greater interest in the Office shall also be made available to Franchisor upon request.

**8.03** Records. During the Term, Regional Developer agrees, at its expense, to maintain at its principal office and preserve for five (5) years from the date of their preparation or such greater period as may be required by applicable law, full, complete and accurate books, records and accounts including, without limitation, employee records, accounts payable, cash disbursement records, inventory records, general ledgers, itemized bank deposit slips and bank statements, copies of sales tax returns and copies of Regional Developer's income tax returns. Regional Developer acknowledges and agrees that Franchisor will have independent access to Franchisee's information, data, and emails which are contained on the computer system.

**8.04** Reports. Regional Developer agrees to deliver to Franchisor, at its principal office, the inspection reports for all of the 76 FENCE Unit Businesses and 76 FENCE RD Businesses located within the Region. Regional Developer shall provide Franchisor, in a timely fashion, such other data, information and supporting records as Franchisor from time to time may reasonably require, including but not limited to information about efforts to solicit prospective Franchisees, and the status of the 76 FENCE Franchised Businesses within the Region.

**8.05** Financial Statements. Regional Developer shall maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Manual or otherwise in writing. Franchisor shall have full access to all of Regional Developer's computer data and systems and all related information by means of direct access, either in person or by telephone, modem or Internet to permit Franchisor to verify Regional Developer's compliance with its obligations under this Agreement. Regional Developer will send to Franchisor all records, reports and financial information as Franchisor requires, including an annual income and expense statement within 60 days of the end of Regional Developer's fiscal year, and any other information or reports including copies of balance sheets, copies of sales tax returns and such other financial reports and information as Franchisor may reasonably request. However, Regional Developer will not be obligated to disclose confidential tax returns if such disclosure would violate applicable state law. All reporting data will be prepared in accordance with United States generally accepted accounting principles, consistently applied. At all times, Franchisor will have access to and may use the information contained in Regional Developer's books, records and accounts, for any purpose Franchisor deem appropriate, including, but not limited to, disseminating such information to Franchisor's creditors and potential franchisees

(except that Franchisor will not disclose social security number, birth date or home address information without Regional Developer's consent, unless required or permitted by law).

## 9. CONFIDENTIAL INFORMATION, NEW CONCEPTS, ETC.

**9.01 Confidential Information.** Regional Developer acknowledges that the trade secrets, information, ideas, research, methods, manuals, procedures, systems, improvements and copyrighted materials, etc., including the Manual, billing and collection software, proprietary database, marketing and training materials owned or developed by or licensed to Franchisor or its affiliate, whether or not published, confidential or suitable for registration or copyright, and the goodwill associated with them, are and shall remain the sole and exclusive property of Franchisor and its affiliates. The foregoing are provided or revealed to Regional Developer in trust and confidence, along with any and all information, knowledge and know-how not generally known in the business about the System and products, specifications, standards, methods, procedures, sales and marketing material, systems, procedure and techniques, knowledge of and experience in operating a 76 FENCE Franchised Business and an Office, and all non-public information concerning the financial data, customer accounts, client specific information, work product performed for any customer or client, work product documents and records, specific strategies and other information or material which Franchisor may designate as confidential ("Confidential Information and Trade Secrets") all of which shall be deemed confidential for purposes of this Agreement. It is understood and agreed that the Confidential Information and Trade Secrets, if used by others, give them a substantial competitive advantage which is presently enjoyed by Franchisor, its Affiliate and Franchisor's franchisees and regional developers. Regional Developer shall not, during the term of this Agreement, or after Transfer or expiration or termination of this Agreement for any reason, communicate or divulge to anyone or use any Confidential Information and Trade Secrets, nor shall Regional Developer disclose, use or divulge in whole or in part any Confidential Information and Trade Secrets, unless such information is generally known and in the public domain and except to the extent necessary to operate the Office. All employees of Regional Developer will exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all Confidential Information and Trade Secrets and proprietary rights during and after the term of this Agreement.

**9.02. New Concepts.** Any ideas, concepts, techniques or materials relating to the Office, whether or not protectable intellectual property and whether created by or for the Regional Developer or its employees, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property and works made-for-hire for Franchisor. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, by this paragraph Regional Developer assigns ownership of that item and all related rights to that item, to Franchisor and agrees to sign whatever assignment or other documents we request to evidence Franchisor's ownership or to help Franchisor obtain intellectual property right in such item.

## 10. TRADEMARKS

**10.01. Ownership of Marks.** Regional Developer acknowledges that Regional Developer has no proprietary interest in the Marks and that Regional Developer's right to use the Marks is derived solely from this Agreement and any Franchise Agreement entered into by the parties pursuant hereto, and is limited to the conduct of its Office pursuant to and in compliance with this Agreement and all applicable specifications, standards and operating procedures prescribed by Franchisor. Any unauthorized use of the Marks by Regional Developer shall constitute an infringement of the rights of Franchisor in and to the Marks. Regional Developer agrees that all usage of the Marks by Regional Developer and any goodwill established thereby shall inure to the exclusive benefit of Franchisor and its affiliates and Regional Developer acknowledges that this Agreement does not confer any goodwill or other proprietary interests in the Marks upon Regional Developer. All provisions of this Agreement

applicable to the Marks shall apply to any additional trademarks, service marks and commercial symbols hereafter authorized for use by and licensed to Regional Developer pursuant hereto.

**10.02. Use of Marks.** Regional Developer shall not use any Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form without Franchisor's consent, nor may Regional Developer use any Mark in any other manner not contemplated by this Agreement. Regional Developer shall take all necessary action to obtain such fictitious or assumed name registrations as may be required by applicable law.

**10.03 Infringements.** Regional Developer shall notify Franchisor immediately in writing of any apparent infringement of or challenge to Regional Developer's use of any of the Marks or claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which Regional Developer becomes aware. Regional Developer shall not communicate with any person other than Franchisor and its counsel in connection with any such infringement, challenge or claim. Franchisor shall have sole discretion to take such action as it deems appropriate and have the right to exclusively control any litigation, proceeding or other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. Regional Developer agrees to execute any and all instruments and documents, render such assistance to and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain the interest of Franchisor in any litigation, proceeding or other administrative proceeding relating to such efforts or to otherwise protect and maintain the interests of Franchisor in the Marks. If it becomes advisable at any time, in Franchisor's sole discretion exercised in good faith, for Franchisor and/or Regional Developer to modify or discontinue use of any Mark, and/or use one or more additional or substitute trademarks or service marks, Regional Developer agrees to comply therewith within a reasonable time after notice thereof by Franchisor, and Franchisor shall have no liability or obligation to reimburse Regional Developer for the direct expenses incurred with respect thereto.

**10.04 Use of Marks on the Internet.** Franchisor has established Internet website [www.76FENCE.com](http://www.76FENCE.com) ("Website"), which Franchisor controls. Franchisor may establish a social media account on Regional Developer's behalf and allow Regional Developer to be an administrator of or use such social media account, but Franchisor must approve all content and can remove any content in its sole discretion. (such as on LinkedIn, Facebook or Twitter). Except as otherwise provided, Regional Developer may not maintain a presence on the Internet for its Office. Any advertising on the Internet, delivered by facsimile, electronic mail or other electronic means must be pre-approved by Franchisor and on terms specified by Franchisor. Franchisor will provide Regional Developer will one 76 FENCE email address that must be monitored by Regional Developer.

## 11. FRANCHISOR'S RIGHT OF TERMINATION

Franchisor shall have the right to terminate this Agreement effective upon delivery of notice of termination to Regional Developer in the event of any of the following occurrences(s):

(a) Regional Developer or any of its owners makes an unauthorized Transfer (as defined herein),

(b) Regional Developer or any of its directors, officers or holders of a controlling interest are convicted of or plead guilty to a charge of violating any criminal law (other than minor traffic violations),

(c) Regional Developer is insolvent or bankrupt, receivership or similar proceedings are filed against Regional Developer and not dismissed within ninety (90) days of the filing thereof, or Regional Developer files for bankruptcy or receivership or similar protection,

(d) Regional Developer makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors,

(e) Regional Developer voluntarily or otherwise abandons the Office for a minimum of 30 days without notifying Franchisor and requesting an exemption for extenuating circumstances,

(f) Regional Developer is involved in any act or conduct which, in Franchisor's opinion, materially impairs the goodwill associated with the Marks or the System,

(g) Regional Developer receives more than three (3) notices of Regional Developer's failure to comply with any provision of this Agreement in any eighteen (18) month period, whether or not such failures to comply are corrected after notice thereof is delivered to Regional Developer,

(h) Regional Developer fails to comply with any provision of this Agreement relating to the payment of monies to Franchisor or its affiliates and Regional Developer does not correct such failure within ten (10) days after written notice from Franchisor,

(i) Regional Developer fails in any material respect to comply with any provision of this Agreement not relating to the payment of money and does not correct such failure within thirty (30) days after written notice of such failure to comply (which shall describe the specific action that Regional Developer must take to correct same) is delivered to Regional Developer, or

(j) Regional Developer commits some event, act or omission which, in Franchisor's opinion, materially and adversely affects the interests of the Franchisor.

Notwithstanding anything to the contrary contained in this Article 11, if applicable law or regulation limits Franchisor's rights to terminate or requires longer notice periods than those set forth below, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon termination required by such laws and regulations Franchisor shall not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or dispute relating to this Agreement or the termination of this Agreement

## 12. RIGHTS AND OBLIGATIONS UPON EXPIRATION, TRANSFER OR TERMINATION

**12.01 Survival.** All covenants and agreements of the Regional Developer which by their terms or by reasonable implication are to be performed in whole or in part after Transfer, termination or expiration of this Agreement, shall survive such Transfer, termination or expiration. Regional Developer shall comply with all post-term obligations including but not limited to the confidential information, non-competition, non-solicitation and indemnification provisions.

**12.02 Return Materials.** Regional Developer shall return to Franchisor, within five (5) days of termination, Transfer or expiration of this Agreement, at Regional Developer's expense, all materials belonging to Regional Developer or Franchisor or materials which contain Confidential Information or the Marks, including the Manual, other manuals, marketing materials, documents, forms, reports and other items regarding the 76 FENCE Franchised Businesses located in the Region and all such are the property of Regional Developer or Franchisor. However, Regional Developer may retain such materials which relate to any 76 FENCE RD Business which remains in effect.

**12.03 Cease Operating as a Regional Developer.** Regional Developer will cease to be a Regional Developer of Franchisor and cease soliciting Franchisees or providing training and assistance to Franchisees. Regional Developer shall not thereafter directly or indirectly represent to the public that the former business is or was operated or in any way connected with the System or hold itself out as a

present or former Regional Developer of Franchisor. However, if Regional Developer is not in default under an existing Franchise Agreement for a 76 FENCE Franchised Business, Regional Developer can continue to operate said 76 FENCE RD Business under the terms and conditions of said Franchise Agreement.

**12.04 Cease Using the Marks.** Regional Developer shall immediately thereafter discontinue use of all Marks, signs, colors, structures, printed goods and forms of advertising indicative of Franchisor's business and return any copyrighted materials which have been provided to Regional Developer by Franchisor including the Manual, except pursuant to any existing Franchise Agreement for a 76 FENCE RD Business in which Regional Developer is in good standing. Further, Regional Developer shall take the actions required to cancel all fictitious or assumed name or equivalent registrations relating to Regional Developer's use of any Mark.

**12.05 Pay Amounts Due.** Regional Developer shall pay all amounts due to Franchisor and its affiliates, if any.

### 13. RESTRICTIVE COVENANTS

**13.01 Non-Competition During the Term of this Agreement.** Regional Developer acknowledges the uniqueness of the System and that Franchisor is making its knowledge, know-how, and expertise available to Regional Developer for the purpose of operating the Office. Regional Developer agrees that it would be an unfair method of competition to use or duplicate, or to allow others to use or duplicate, any of the knowledge, know-how or expertise Regional Developer receives from Franchisor or its affiliate for any reason other than for the operation of the Office under this Agreement. Franchisor further recognizes the Importance of devoting substantial time and energy to the Office. Therefore, Regional Developer warrants that during the term of this Agreement, unless Regional Developer has Franchisor's prior written consent, neither Regional Developer nor any of its owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial, beneficial or equity interest in, or have any interest based on profits or revenues of any Competitive Business except as a duly licensed franchisee of Franchisor (except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). "Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) fencing products or services or in which Confidential Information and Trade Secrets could be used to the disadvantage of Franchisor, any Affiliate or their other franchisees, provided, however, that the term "Competitive Business" shall not apply to (a) any business operated by Regional Developer under a Franchise Agreement and/or Regional Developer Agreement with Franchisor, or (b) any business operated by a publicly-held entity in which Regional Developer owns less than a five percent (5%) legal or beneficial interest.

**13.02 Non-Competition After the Term of this Agreement.** For two (2) years after a Transfer, the expiration or termination of the Term of this Agreement for any reason, or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later, neither Regional Developer nor any of its owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial interest in, loan money to, or have any interest based on profits or revenues of any Competitive Business. The geographical scope of this restriction will cover the Region and the area within any other unit franchisee's Territory or any other regional developer's Region.

**13.03 Non-Solicitation.** For two (2) years after a Transfer, the expiration or termination of the term of this Agreement for any reason, or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later, Regional Developer will not, directly or indirectly, solicit or accept

any business from, and will not directly or indirectly contact any potential Franchisee, candidates or customers who Regional Developer has contacted within the previous two (2) years ("Contact").

**13.04 Reasonableness of Restrictions.** Franchisor intends to restrict the activities of Regional Developer under this Article 13 only to the extent necessary for the protection of Franchisor's legitimate business interests. Each of the foregoing covenants shall be construed as severable and independent and shall be interpreted and applied consistent with the requirements of reasonableness and equity. In the event a court of competent jurisdiction shall determine the business, time, or geographic limitations contained in this Agreement are illegal, invalid or unenforceable, then, the court so holding shall reduce the limitation necessary to render such restriction enforceable by such court. Franchisor shall have the right to reduce the scope of any covenant contained in this Article 13, without Regional Developer's consent, effective immediately upon receipt by Regional Developer of written notice thereof, and Regional Developer shall comply with any covenant as so modified. In the event of any assignment, sale, merger or change in ownership or structure of Franchisor, the resulting entity shall step into the place of Franchisor, without any additional consent of or notice to the Regional Developer, as if the term Franchisor were defined in this Agreement to include such entity.

**13.05 Remedies.** Regional Developer understands that the Franchisor will be directly and irreparably harmed if the provisions of this Agreement are not strictly adhered to. Therefore, Regional Developer agrees that Franchisor shall be entitled to obtain from any court of competent jurisdiction a temporary restraining order, preliminary and permanent injunctive relief, without necessity of posting a bond, as well as damages and an equitable accounting of all earnings, profits and other benefits arising from any violation or threatened violation of this Agreement, which rights shall be cumulative and in addition to any other rights or remedies to which Franchisor may be entitled. Regional Developer further agrees that if any demand is made or any action at law or in equity is brought to enforce or interpret any provision of this Agreement, Franchisor shall be entitled to its reasonable attorneys' fees and costs incurred to enforce any provision of this Agreement, in addition to any other relief to which Franchisor may be entitled, whether or not a lawsuit is filed or maintained to its conclusion. The foregoing equitable remedy shall be in addition to, and not in lieu of, all other remedies or rights which Franchisor might otherwise have by virtue of any breach of this Agreement by Regional Developer.

## 14. ASSIGNMENT

**14.01 Transfer Requirements.** Neither Regional Developer's interest in this Agreement, nor the Office or any interest therein, nor any interest in the Regional Developer, may be assigned, sold, transferred, shared or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any manner, without the prior written consent of Franchisor (each a "Transfer"). This consent is not intended as an approval to any future Transfer under this Agreement. Franchisor will not unreasonably withhold its consent under this Section 14.01, provided that the following conditions are satisfied:

(a) The assignee expressly assumes in writing for the benefit of Franchisor all of the obligations of Regional Developer under this Agreement,

(b) As of the date of any Transfer, Regional Developer shall have fully complied with all its obligations to Franchisor and Franchisor's affiliates, whether under this Agreement or any other agreement, arrangement or understanding with Franchisor or any of Franchisor's affiliates,

(c) The assignee shall execute a Regional Developer Agreement in the form and on the terms and conditions then being offered by Franchisor to prospective Regional Developers similarly situated (except that the assignee shall not be obligated to pay another development fee). The term of the separate Regional Developer Agreement shall expire on the date of the expiration of this

Agreement and the development schedule shall remain the same as the Development Schedule in this Agreement,

(d) Regional Developer shall pay Franchisor a transfer fee equal to \$20,000, which sum Regional Developer acknowledges is reasonably required to reimburse Franchisor for its expenses relating to said assignment,

(e) The assignee shall have satisfactorily completed the training then required of all new Regional Developers of Franchisor, unless such training is waived by Franchisor, in written, by reason of said assignee's prior experience or training,

(f) Regional Developer and its guarantors shall have executed a general release in a form satisfactory to Franchisor of any and all claims against Franchisor and its officers, directors, members, and employees in their corporate and individual capacities, including, without limitation, claims arising out of federal, state, and local laws, rules and ordinances,

(g) The assignee meets the established standards for new Regional Developers, is of good moral character, has a good credit rating, sufficient financial resources to operate the business and competent qualifications,

(h) All owners of the assignee shall have executed such guarantees of the new regional developer agreement as Franchisor may require, and

(i) Although Franchisor will not be required to determine the value of the Office upon a Transfer, if in Franchisor's reasonable judgment, the purchase price or terms of the sale are not economically feasible to the proposed assignee, Franchisor can withhold its consent to such Transfer. Franchisor's consent is not, however to be construed as an implication or warranty that the terms of the sale are in fact economically feasible. Franchisor may, in good faith, notify Regional Developer stating the reasons that Franchisor has elected to withhold approval of the proposed Transfer.

**14.02 Death or Disability.** Subject to certain conditions as set forth in Section 14.01 (a), (b), (e), (g) and (h) of this Agreement, the Transfer of Regional Developer's interest to his heirs, personal representatives or conservators, as applicable, in the event of the death or legal incapacity of Regional Developer (or in the event of the death or legal incapacity of a principal shareholder or member of a corporate or limited liability Company Regional Developer) shall not constitute a Transfer requiring Franchisor's consent.

**14.03 Encumbrances.** Regional Developer shall not have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever without the express prior written consent of Franchisor, which consent may be withheld in Franchisor's sole and absolute discretion. Any pledge, hypothecation or granting of a security interest in violation of this prohibition shall be null, void and of no force and effect, and shall constitute a material breach of this Agreement.

**14.04 Transfer by Franchisor.** Franchisor may sell, assign, transfer, pledge or mortgage, in whole or in part, this Agreement and all or any part of its rights or privileges hereunder to any third party, at Franchisor's discretion and Franchisor shall be relieved of all liability under this Agreement, and all rights and obligations shall accrue to the successor or assignee.



## 15. INDEMNIFICATION/INDEPENDENT CONTRACTOR

**15.01 Indemnification by Regional Developer.** Regional Developer shall indemnify and save Franchisor and its affiliates and their successors and assigns and all of their employees, agents, officers, directors and members harmless against any and all claims for any act, omission, debt, or any other obligation of Regional Developer and the cost of defending against such claims (including, but not limited to, reasonable attorneys' fees, court costs, accountant and other professional fees) arising directly or indirectly from, or as a result of, or in connection with Regional Developer's operation of the Office. Nothing in this Agreement authorizes Regional Developer to make any contract, agreement, warranty or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name. This indemnity will continue in full force and effect subsequent to and notwithstanding the Transfer of this Agreement or its expiration or termination.

**15.02 Independent Contractor.** This Agreement does not create a fiduciary relationship between Regional Developer and Franchisor. Regional Developer acknowledges that it is an independent contractor, solely responsible for control and management of the Office, including, but not limited to, such matters as hiring and discharging Regional Developer's employees and setting and paying wages and benefits to its employees, and that Franchisor shall have no responsibility or liability in respect to such pricing, hiring, setting and paying of wages or related matters or the day-to-day operations of the Office.

## 16. NOTICES

Whenever notice is required under the terms of this Agreement, it shall be given in writing and sent by registered or certified mail, or by personal delivery to Regional Developer's Office address and to Franchisor's office listed in the first paragraph of this Agreement, or at such other address as designated in accordance with this Section. Receipt shall be deemed to have been made three (3) days after mailing or upon personal delivery, whichever first occurs.

## 17. GENERAL PROVISIONS

**17.01 Severability.** Except as expressly provided to the contrary herein, each article, section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties hereto.

**17.02 Substitution of Valid Provisions.** If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and Franchisor shall have the right, in its sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Regional Developer agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or any specification, standard or operating procedure prescribed by

Franchisor, any portion or portions which a court may hold to be unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. Such modifications to this Agreement shall be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

**17.03 Waiver of Obligations.** Franchisor and Regional Developer shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant herein, or to declare any breach hereof to be a default and to terminate this Agreement) by virtue of any custom or practice of the parties at variance with the provisions hereof or any failure, refusal or neglect of Franchisor or Regional Developer to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder.

**17.04 Specific Performance/Injunctive Relief.** Regional Developer acknowledges that Franchisor will be irreparably damaged (and damages at law would be an inadequate remedy) if this Agreement is not specifically enforced. Therefore, in the event of a breach or threatened breach by Regional Developer of any provision of this Agreement, Franchisor shall be entitled, in addition to all other rights or remedies, to apply to any court of competent jurisdiction for an injunction restraining such breach, without being required to show any actual damage or to post an injunction bond, and/or to a decree for specific performance of the provisions of this Agreement.

**17.05 Cumulative Remedies.** The rights of Franchisor and Regional Developer hereunder are cumulative and no exercise or enforcement by Franchisor or Regional Developer of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Regional Developer of any other right or remedy hereunder with respect to which Franchisor or Regional Developer is entitled by law to enforce.

**17.06 Joint Liability, Gender, Headings.** If Regional Developer consists of two (2) or more individuals, such individuals shall be jointly and severally liable and references to Regional Developer in this Agreement shall include all such individuals. References to Regional Developer as male shall also include a female Regional Developer, partnership or corporation, or any other business entity as relevant in the context. Headings and captions contained herein are for convenience of reference only and shall not be taken in account in construing or interpreting this Agreement.

**17.07 Benefit, Others.** Subject to the provisions of Article 14 above, this Agreement shall be binding upon and inure to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

**17.08 Applicable State Law.** Except to the extent that this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 115 U S C 1051), this Agreement will be governed, to the extent permissible, by the laws of the Commonwealth of Pennsylvania, without regard to the laws of conflict. If, however, any provision of this Agreement would not be enforceable under the laws of Pennsylvania, and if the Office is located outside of Pennsylvania and the provision would be enforceable under the laws of the state in which the Office is located, then the provision in questions (and only that provision) will be interpreted and construed under the laws of the state where the Office is located. Further, any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between a franchisor and a franchisee or any similar relationship, will not apply unless its jurisdictional requirements are met independently without reference to this Section 17.08. Matters controlled by arbitration shall be governed by the United States Arbitration Act (9 U.S.C §1, et seq.) Except for any matters subject to arbitration, Franchisor may institute any action arising out of or relating to this Agreement in any state or federal court of general

jurisdiction in the Commonwealth of Pennsylvania, and Regional Developer and guarantors irrevocably submit to their jurisdiction and waive any objection to the application of Pennsylvania law or to the jurisdiction or venue in those Pennsylvania courts. If Regional Developer institutes any action arising out of or relating to this Agreement, which is not subject to arbitration, such suit must be brought in the appropriate state or federal court located in or serving Montgomery County, Pennsylvania unless said court will not accept jurisdiction over the case if a state regulator requires an amendment to this Agreement, the amendment is attached hereto in a State Law Addendum as Exhibit C. Franchisor shall not, however, be precluded from contesting the validity, enforceability, or applicability of such laws or regulations in any action relating to this Agreement or to its rescission or termination.

**17.09 Entire Agreement.** The terms and conditions contained herein constitute the entire agreement between the parties regarding the subject matter herein, and there are no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein, provided however, that nothing in this or any related agreement is intended to disclaim the representations Franchisor made in the Disclosure Document that was furnished to Regional Developer. No amendment to this Agreement is binding unless executed in writing by both parties. Regional Developer acknowledges that it is entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of its own independent investigation of the franchised business and not on reliance of or as a result of any representations made by Franchisor's owners, officers, directors, managers, employees, agents, representatives, attorneys, franchisees, regional developers, or brokers which are not contained in or are contrary to the terms set forth in this Agreement or of any representation in the Disclosure Document.

**17.10 Dispute Resolution.**

(a) **Mediation.** Before any party may bring an action in court for any controversy, dispute or claim between Franchisor and Regional Developer arising from this Agreement or the franchise relationship set forth in this Agreement, the parties must first have a conference with each other to try to resolve the dispute. If this fails to bring about a resolution, the dispute will first be submitted to nonbinding mediation (the "Mediation") in Montgomery County, Pennsylvania, unless the parties mutually agree to another location. The Mediation shall be conducted in accordance with then-current AAA mediation rules (the "AAA Mediation Rules") except to the extent the AAA Mediation Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. Notwithstanding the foregoing, the mediation does not have to be conducted under the AAA. Franchisor and Regional Developer will select the mediator. If the parties cannot agree on the selection of a mediator, the mediation shall be conducted through the AAA who will make the selection of mediator using their rules and guidelines. The cost of the Mediation, including the mediator's fee and expenses, shall be paid by the Regional Developer. All negotiations and mediation proceedings (including without limitation, discovery conducted therein, as well as all statements and settlement offers made by either party or the mediator in connection with the Mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. If the parties, after a good faith effort to settle the dispute using Mediation, are unable to reach settlement, Franchisor and Regional Developer agree that the dispute will be resolved according to the Sections below. Failure to submit the dispute to Mediation prior to commencing any litigation or arbitration proceeding shall be grounds for dismissal of the litigation or arbitration proceedings.

Notwithstanding the foregoing, the obligation of this Section to mediate will not be binding with respect to claims brought by Franchisor and relating to Franchisor's trademarks, service marks, patents, or copyrights, including the Marks, claims relating to any lease or sublease of any real property between the parties or their affiliated entities, or requests by Franchisor for temporary restraining orders, preliminary injunctions, permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties.

(b) **Arbitration.** In the event that the dispute is not resolved by mediation if so required, the parties, subject to all other provisions above, will submit the dispute to binding arbitration conducted in Montgomery County, Pennsylvania (unless the parties mutually agree otherwise). The arbitration proceeding will be conducted in accordance with the then current commercial arbitration rules of the American Arbitration Association ("AAA Rules"), except to the extent the AAA Rules differ from the terms of this Agreement, in which event the terms of this Agreement will apply. Notwithstanding the foregoing, the arbitration does not have to be conducted under the AAA. The arbitrator must be mutually selected by the parties and must have at least 5 years of substantial experience in franchise law. Each party will be limited to 25 document requests, 15 interrogatories and 1 deposition unless otherwise agreed to between the parties. For purposes of this Section, if any dispute that names, involves or includes Franchisor, its respective affiliates, officers, directors, agents, brokers or employees, such persons or entities shall also be included in and made party to the arbitration proceeding to the extent such parties consent to proceeding forward in arbitration.

The arbitrator will have the right to award or include in his award any relief which he deems proper in the circumstances, including money damages (with interest on unpaid amounts from date due), specific performance, and attorneys' fees and costs, however, the arbitrator will not be allowed to award or include in his award any punitive, exemplary, or consequential damages, to which the parties waive any right. The arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, or enforceability of this Section, including but not limited to, any claim that all or any part of this Section is void or voidable. The award and decision of the arbitrator will be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction, however, the arbitrator may not under any circumstances (1) stay the effectiveness of any pending termination of this Agreement, or (2) make any award which extends, modifies or suspends any lawful term of this Agreement. Each party waives any right to contest the validity or enforceability of the award of an arbitrator under this Section except to the extent permitted by applicable law. The arbitrator must submit a reasoned award and this award must be consistent with the terms of this Agreement. If the arbitrator's award is not reasoned or not consistent with the terms of this Agreement, then notwithstanding the foregoing, Franchisor may appeal the arbitration award in Federal or State Court. An arbitration award or decision entered in any other case (whether or not Franchisor was a party) will not be binding on Franchisor in any other dispute, will have no precedential value and cannot be used as evidence in any other proceeding.

The arbitrator will apply the provisions of any applicable statute of limitations. In connection with any arbitration proceeding, Franchisor and Regional Developer will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any of these compulsory claims which are not submitted or filed in the same proceeding in which they relate will be barred. This provision will continue in full force and effect subsequent to and notwithstanding the Transfer, or the termination or expiration of the term of this Agreement. Except as provided in subsection A above, the arbitration will be conducted on an individual, not a class-wide basis. None of the parties to the arbitration will be entitled to consolidation of the arbitration proceedings with the proceedings

of any third party, nor will the arbitrator or any court be empowered to order a consolidation of proceedings with any third party.

In the event that the Regional Developer or its guarantors have not complied with the provisions in in this Section on Dispute Resolutions, Regional Developer shall reimburse Franchisor for all of its expenses incurred in curing the Regional Developer's breach (including, without limitation, Franchisor's attorneys' fees and costs related to dismissing and responding to any improperly filed claim) and pay the Franchisor the amount of the initial franchise fee set forth in this Agreement. This is in addition to any other rights or remedies which Franchisor has in law or equity.

**17.11 Limitation of Legal Action.**

(A) EXCEPT WITH RESPECT TO REGIONAL DEVELOPER'S OBLIGATIONS REGARDING THE MARKS AND CONFIDENTIAL INFORMATION AND TRADE SECRETS, FRANCHISOR AND REGIONAL DEVELOPER (AND ITS OWNERS) EACH WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR CLAIM FOR PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES FOR ANY CONDUCT ARISING OUT OF THIS AGREEMENT OR FRANCHISOR'S RELATIONSHIP WITH REGIONAL DEVELOPER.

(B) THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES.

(C) ANY DISAGREEMENT BETWEEN REGIONAL DEVELOPER (AND ITS GUARANTORS AND OWNERS) AND FRANCHISOR (AND ITS AFFILIATE AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION AND REGIONAL DEVELOPER (AND ITS GUARANTORS AND OWNERS) WAIVE ANY RIGHT TO PROCEED AGAINST FRANCHISOR (AND ITS AFFILIATES, OWNERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

(D) REGIONAL DEVELOPER WILL BE BARRED FROM BRINGING ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR REGIONAL DEVELOPER'S RELATIONSHIP WITH FRANCHISOR, UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH REGIONAL DEVELOPER KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THAT CLAIM.

(E) FRANCHISOR'S MAXIMUM AGGREGATE LIABILITY AND THE MAXIMUM AGGREGATE LIABILITY OF ANY OF FRANCHISOR'S OFFICERS, OWNERS, DIRECTORS, MEMBERS, MANAGERS, EMPLOYEES, AFFILIATES, PARENTS OR SUBSIDIARIES RELATED TO ANY AND ALL CLAIMS RELATING TO OR ARISING FROM THIS AGREEMENT OR THE FRANCHISE RELATIONSHIP SET FORTH IN THIS AGREEMENT SHALL BE COLLECTIVELY LIMITED TO THE AMOUNT REGIONAL DEVELOPER PAID TO FRANCHISOR WITHIN THE PRIOR 12 MONTHS IMMEDIATELY BEFORE WRITTEN NOTICE OF ANY PROPER CLAIM IS RECEIVED BY FRANCHISOR.

**17.12 NO WARRANTY.** REGIONAL DEVELOPER ACKNOWLEDGES THAT NO APPROVALS, WAIVERS, OR CONDITIONS, OR THE LIKE WARRANT THE SUCCESS OF THE BUSINESS OR THE APPROPRIATENESS OR LEGALITY OF THE PARTICULAR ITEM SO APPROVED SUCH

APPROVAL MEANS ONLY THAT THE MATTER APPROVED MEETS FRANCHISOR'S MINIMUM SPECIFICATIONS. REGIONAL DEVELOPER SHOULD OBTAIN INDEPENDENT PROFESSIONAL GUIDANCE AS TO ALL ASPECTS OF ITS BUSINESS OPERATIONS AND EXPRESSLY ACKNOWLEDGES THAT IT IS NOT IN ANY WAY RELYING ON FRANCHISOR'S APPROVALS, CONSENTS, WAIVERS, CONDITION, OR THE LIKE. FRANCHISOR MAKES NO WARRANTIES OR GUARANTEES UPON WHICH A REGIONAL DEVELOPER MAY RELY AND ASSUMES NO LIABILITY OR OBLIGATION TO REGIONAL DEVELOPER BY GRANTING ANY WAIVER, APPROVAL, OR CONSENT TO REGIONAL DEVELOPER, OR BY REASON OF ANY NEGLIGENCE, DELAY, OR DENIAL OF ANY REQUEST THEREOF.

#### 18. CAVEAT

THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED TO BE UNDERTAKEN BY REGIONAL DEVELOPER HEREUNDER IS SPECULATIVE AND DEPENDS, TO A LARGE EXTENT, UPON THE ABILITY AND EFFORTS OF THE REGIONAL DEVELOPER AS AN INDEPENDENT BUSINESSPERSON. THE ACCEPTANCE OF FRANCHISOR'S SYSTEM, PRODUCTS, AND SERVICES, HAS NOT BEEN PROVEN IN THE REGION FRANCHISOR DOES NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE POTENTIAL SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREBY. REGIONAL DEVELOPER REPRESENTS AND ACKNOWLEDGES THAT REGIONAL DEVELOPER HAS MADE AN INDEPENDENT INVESTIGATION OF FRANCHISOR AND FRANCHISOR'S OPERATIONS AND REGIONAL DEVELOPER HEREBY ACKNOWLEDGES THAT IT HAS ENTERED INTO THIS AGREEMENT SOLELY IN RELIANCE UPON SUCH INDEPENDENT INVESTIGATION.

REGIONAL DEVELOPER HAS CAREFULLY INVESTIGATED THE FRANCHISOR AND THE MARKET FOR FRANCHISOR'S PRODUCTS AND SERVICES, HAS INDEPENDENTLY DETERMINED THAT IT IS CAPABLE OF PERFORMING THIS AGREEMENT AND COMPLYING WITH THE DEVELOPMENT OBLIGATIONS, AND HAS OBTAINED INDEPENDENT COUNSEL IN ALL LEGAL, FINANCIAL, AND OTHER ASPECTS OF THE RELATIONSHIP CREATED BY THIS AGREEMENT. REGIONAL DEVELOPER FURTHER ACKNOWLEDGES THAT NO ONE HAS MADE ANY OTHER REPRESENTATION TO REGIONAL DEVELOPER WHICH IS NOT EXPRESSLY SET FORTH HEREIN, IN ORDER TO INDUCE REGIONAL DEVELOPER TO EXECUTE THIS AGREEMENT OR IF ANY SUCH REPRESENTATION HAS BEEN MADE, REGIONAL DEVELOPER HAS NOT RELIED ON SUCH REPRESENTATIONS.

REGIONAL DEVELOPER UNDERSTANDS AND AGREES THAT FRANCHISOR HAS NO OBLIGATION TO ACCEPT REGIONAL DEVELOPER AS A REGIONAL DEVELOPER AND MAY REFUSE TO GRANT A LICENSE TO REGIONAL DEVELOPER FOR ANY REASON, OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR ITS DECISION. REGIONAL DEVELOPER ACKNOWLEDGES THAT UNLESS AND UNTIL FRANCHISOR AND REGIONAL DEVELOPER SIGN THIS AREA DEVELOPMENT AND REPRESENTATIVE AGREEMENT, REGIONAL DEVELOPER IS NOT A REGIONAL DEVELOPER OF FRANCHISOR AND MAY NOT RELY UPON BECOMING A REGIONAL DEVELOPER OF FRANCHISOR.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Franchisor and Regional Developer, and the Guarantors have respectively signed and sealed this Agreement as of the day and year first above written.

**76 FRANCHISE GROUP LLC**

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

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

Title: \_\_\_\_\_

**REGIONAL DEVELOPER:**

\_\_\_\_\_  
(type/print name)

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

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

Title: \_\_\_\_\_

[or, if an individual]

Signed: \_\_\_\_\_

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

## GUARANTY AGREEMENT

In consideration of, and as an inducement to, the execution of the above Regional Developer Agreement (the "Agreement"), by 76 FRANCHISE GROUP LLC (the "FRANCHISOR") in favor of ("Regional Developer"), each of the undersigned ("GUARANTORS") hereby personally and unconditionally guarantees to FRANCHISOR, its affiliates, and their successors and assigns for the Term (as defined in the Agreement) and thereafter as provided in the Agreement, that Regional Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and agrees to be personally bound by, and personally liable, on a joint and several basis, for the breach of each and every provision in the Agreement. The GUARANTORS each agree to be personally, unconditionally, and jointly and severally bound by each and every undertaking, agreement and covenant set forth in the Agreement, including but not limited to, the restrictive covenants, confidentiality and non-disclosure provisions contained in the Agreement, as well as the provisions in the Agreement relating to the Marks and transfers to the same extent as and for the same period of time as Regional Developer is required to comply with and abide by such covenants and provisions. All of the foregoing obligations of the undersigned shall survive any expiration or termination of the Agreement or this Guaranty. The GUARANTORS further hereby personally and unconditionally guarantee all debts and obligations Regional Developer may incur to FRANCHISOR, its successors, assigns, affiliated entities, parent corporation, and subsidiaries, as the case may be, as a result of any obligations under the Agreement and as a result of purchases of products or services from FRANCHISOR and/or its affiliates Each of the undersigned waives:

- (1) acceptance and notice of acceptance by FRANCHISOR or its affiliates of the foregoing undertakings,
- (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed,
- (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed,
- (4) any right he or she may have to require that an action be brought against Regional Developer or any other person as a condition of liability,
- (5) all rights to payments and claims for reimbursement or subrogation which any of the GUARANTORS may have against the Regional Developer arising as a result of the GUARANTORS' execution of and performance under this Guaranty, and
- (6) any and all other notices and legal or equitable defenses to which any GUARANTOR may be entitled

Each of the undersigned consents and agrees that:

- (1) his or her direct and immediate liability under this Guaranty shall be joint and several,
- (2) he or she shall render any payment or performance required under the Agreement upon demand if the Regional Developer fails or refuses punctually to do so,



(3) such liability shall not be contingent upon or conditioned upon pursuit by FRANCHISOR or its affiliates of any remedies against the Regional Developer or any other person, and

(4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or the indulgence which FRANCHISOR or its affiliates may from time to time grant to the Regional Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the Term of the Agreement

The undersigned GUARANTORS also recognize that certain disputes relating to the Regional Developer Agreement are to be resolved by arbitration and hereby consent to such arbitration in accordance with the terms of the Franchise Agreement if FRANCHISOR or any of its affiliates are required to enforce this Guaranty in any judicial proceeding or appeal thereof, the GUARANTORS shall reimburse FRANCHISOR and its affiliates for their costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty

The terms contained in the Agreement and this Guaranty constitute the entire agreement between the parties, and there are no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein or therein

IN WITNESS WHEREOF, the undersigned have executed this Guaranty as of the day and year first above written

**GUARANTORS**

Name \_\_\_\_\_  
\_\_\_\_\_

Name \_\_\_\_\_  
\_\_\_\_\_

Name \_\_\_\_\_  
\_\_\_\_\_

EXHIBIT A TO THE REGIONAL DEVELOPER AGREEMENT

REGION AND DEVELOPMENT FEE

The Region is \_\_\_\_\_

The Development Fee is \_\_\_\_\_

EXHIBIT B TO THE REGIONAL DEVELOPER AGREEMENT

DEVELOPMENT SCHEDULE

<b>Year</b>	<b>Minimum Number of 76 FENCE Franchised Businesses Operating</b>
1	2

EXHIBIT C TO THE REGIONAL DEVELOPER AGREEMENT

STATE LAW ADDENDUM

**STATE LAW ADDENDUM – CONNECTICUT**

The following provisions shall apply to any franchises sold or offered for sale within the State of Connecticut, which amends the Franchise Disclosure Document ("FDD") and Franchise Agreement:

If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

**FRANCHISOR**

**FRANCHISEE**

**76 FRANCHISE GROUP LLC**

[NAME]

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

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

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT C**

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**EXHIBIT D**

**FINANCIAL STATEMENTS**

**THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.**

**76 Franchise Group LLC**  
**Balance Sheet**  
As of January 1, 2024

	<u>Total</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	105,406
<b>Total Current Assets</b>	<u>105,406</u>
<b>TOTAL ASSETS</b>	<u><u>105,406</u></u>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Member Loan	135,000
<b>Total Current Liabilities</b>	<u>135,000</u>
<b>Total Liabilities</b>	<u>135,000</u>
<b>Equity</b>	
Retained Earnings	(29,594)
<b>Total Equity</b>	<u>(29,594)</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>105,406</u></u>

**EXHIBIT E**

**LIST OF REGIONAL DEVELOPERS**

**AS OF DECEMBER 31, 2023**

None.

**REGIONAL DEVELOPERS WHO LEFT THE SYSTEM**

For fiscal year ending December 31, 2023, the following are Regional Developers who have had an outlet terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Regional Developer Agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the Disclosure Document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers' when you leave the franchise system.

None.

**EXHIBIT F**

**STATE LAW ADDENDA**

**STATE LAW ADDENDUM – CONNECTICUT**

The following provisions shall apply to any franchises sold or offered for sale within the State of Connecticut, which amends the Franchise Disclosure Document ("FDD") and Franchise Agreement:

If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

**FRANCHISOR**

**FRANCHISEE**

**76 FRANCHISE GROUP LLC**

**[NAME]**

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

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

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT G  
RELEASE**

**GENERAL RELEASE**

THIS GENERAL RELEASE (the "General Release") is made by the undersigned (hereinafter "Releasor(s)") for the benefit of 76 FRANCHISE GROUP LLC, a Pennsylvania limited liability company (hereinafter, "Franchisor"), on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**RECITALS:**

WHEREAS, Releasor is a 76 FRANCHISE GROUP LLC franchisee and operates a 76 FENCE Office (the "Franchised Business") pursuant to that certain development agreement dated \_\_\_\_\_ (the "RDA");

WHEREAS, Releasor desires to renew its development rights with Franchisor or desires Franchisor's consent to \_\_\_\_\_ in connection with the RDA, and

WHEREAS, certain states require certain changes be made to this General Release specific to such state.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, Releasor hereby agrees, covenants and promises as follows:

1. Releasor, on behalf of itself and each of the persons and entities described in Section 2 hereof, hereby absolutely and forever releases, remises and discharges Franchisor and each of the persons and entities described in Section 3 hereof, from any and all claims, demands, damages, liabilities, costs (including, but not limited to reasonable attorneys' fees, accounting fees or experts' fees, and the costs of litigation, arbitration or other proceedings), expenses, losses, charges, audits, investigations, injunctions, orders, rulings, subpoenas, controversies, obligations, debts, loans, interest, dues, accounts, awards, reckonings, bonds, bills, covenants, promises, undertakings, variances, trespasses, judgments, executions, sums of money owed, arbitrations, suits, decisions, proceedings, verdicts entered, issued, made or rendered and causes of action of every kind and nature whatsoever, whether now known or unknown, suspected or unsuspected, which Releasor now has, owns or holds, or at any time heretofore ever had, owned or held, or could, shall or may hereafter have, own or hold, pertaining to, arising out of or in connection with the RDA, any related agreements or the franchisor/franchisee relationship between Releasor and Franchisor. Notwithstanding the foregoing, if this General Release is entered into in conjunction with the renewal, assignment or transfer of the RDA, the foregoing release shall not apply to any liability under any state franchise law which governs this Release.

2. Releasor hereby understands and agrees that this General Release shall extend to and be binding upon any and all of Releasor's past, present and future officers, directors, owners, employees, representatives, agents, trustees, successors, affiliates and assigns, and their respective insurers and underwriters. If more than one party shall execute this General Release, the term "Releasor" shall mean and refer to each of the parties executing this General Release, and all such parties shall be bound by its terms, jointly and severally.

3. Releasor hereby understands and agrees that this General Release shall extend to and inure to the benefit of Franchisor and any and all of Franchisor's past, present and future officers, directors, owners, employees, representatives, agents, trustees, successors, affiliates and assigns, and their respective insurers and underwriters.

4. Releasor hereby understands and agrees that this General Release supersedes any prior agreement, oral or written, with respect to its subject matter. Releasor understands and agrees that no representations, warranties, agreements or covenants have been made by Franchisor with respect to this General Release, other than those expressly set forth herein, and that in executing this General Release, Releasor is not relying upon any representations, warranties, agreements or covenants not expressly set forth in this General Release.

5. This General Release may not be changed except in a writing signed by the person(s) against whose interest such change shall operate. This General Release and all acts and transaction under it shall in all respects be interpreted, enforced and governed by the internal laws of the state in which Franchisor's principal place of business is located without regard to principles of conflicts of law.

6. If any provision of this General Release is found or declared invalid or unenforceable by any arbitrator, court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof and this General Release shall thereafter continue in full force and effect except that such invalid or unenforceable provision, and (if necessary) other provisions hereof, shall be reformed by such arbitrator, court or other competent authority so as to effect insofar as is practicable, the intention of the parties set forth in this General Release, provided that if such arbitrator, court or other competent authority is unable or unwilling to effect such reformation, the invalid or unenforceable provision shall be deemed deleted to the same extent as if it had never existed.

7. Releasor hereby certifies that Releasor has read all of this General Release and fully understands all of the same, and that Releasor has executed this General Release only after having received full legal advice and disclosure as to Releasor's rights from legal counsel of Releasor's choice.

IN WITNESS WHEREOF, each Releasor party hereto has executed this General Release effective as the day and year first above written.

RELEASOR

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

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

Title: \_\_\_\_\_

## State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
California	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Pending
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.



**EXHIBIT H  
RECEIPT**

This Disclosure Document summarizes certain provisions of the Regional Developer Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If 76 FRANCHISE GROUP 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. Under Michigan law, if applicable, 76 FRANCHISE GROUP LLC must provide this Disclosure Document to you at least 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under New York law, if applicable, 76 FRANCHISE GROUP LLC must provide this Disclosure Document to you at the earliest of your personal meeting to discuss the franchise or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If 76 FRANCHISE GROUP 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, D C 20580 and the State Administrator listed in Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise is 640 Freedom Business Center Drive, Suite 131, King of Prussia, Pennsylvania, 19406, 610-768-0114. Please indicate which authorized individual provided you with this Franchise Disclosure Document:

- Ed Samane, President and CEO, 76 Franchise Group, LLC, 640 Freedom Business Center Drive, Suite 131, King of Prussia, PA 19406 and 610-768-0114;
- Name: \_\_\_\_\_
- Name: \_\_\_\_\_

Date of Issuance: January 1, 2024.

I received a Disclosure Document dated January 1, 2024, that included the following exhibits:

- |   |                               |
|---|-------------------------------|
| A List of State Agencies and Agents for<br>Service of Process | E List of Regional Developers |
| B Regional Developer Agreement                                | F State Law Addenda           |
| C Table of Contents of the Manual                             | G Release                     |
| D Financial Statements  | H Receipt                     |

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

RECEIPT

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| D Financial Statements                                     | H Receipt                     |

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Please sign and print your name above, date and return one copy of this receipt 76 FRANCHISE GROUP LLC, 640 Freedom Business Center Drive, Suite 131, King of Prussia, Pennsylvania 19406 and keep the other for your records.