

FRANCHISE DISCLOSURE DOCUMENT



SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

A Delaware Limited Liability Company

2426 Old Brick Road

Glen Allen, VA 23060

(800) 722-4668

Franchise@SuperiorFenceandRail.com

www.SuperiorFenceandRail.com

The franchise described in this disclosure document is for the operation of a SUPERIOR FENCE & RAIL, INC.® business, which sells, furnishes and installs wood, steel, aluminum and vinyl fencing and related garden products for residential and commercial customers (a “**Fencing Business**”).

The total investment necessary to begin operation of a SUPERIOR FENCE & RAIL, INC.® franchise is \$~~133,000~~130,500 to \$~~209,300~~206,800. This includes \$~~62,000~~59,500 that must be paid to the franchisor or affiliate. If you acquire a territory for a SUPERIOR FENCE & RAIL, INC.® franchise that exceeds a population of 400,000 people up to a maximum of 599,999 individuals, then you must also pay us a fee equal to \$0.15 per person in the territory in excess of 400,000 people (which for a population of 599,999 individuals would result in an additional fee of \$30,000).

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 the availability of disclosures in different formats, contact Scott Zide at 2426 Old Brick Road, Glen Allen, Virginia 23060, (804) 353-6999.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: January ~~27~~18, ~~2022~~2023

SUPERIOR FENCE & RAIL ~~2022~~2023 FDD-~~(CA/MD/VA)~~

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How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 Virginia. 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 Virginia than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty payments and advertising payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.

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

**NOTICE REQUIRED
BY**

STATE OF MICHIGAN

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

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

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

THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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

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

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

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

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

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

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Law Building, Lansing, Michigan 48913, telephone (517) 373-7117.

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ITEM 1

THE FRANCHISOR, AND ANY PARENT, PREDECESSORS AND AFFILIATES

To simplify the language in this franchise disclosure document (“**disclosure document**”), “SUPERIOR FENCE & RAIL, INC.,” “we,” “us,” “our” or “ourselves” means Superior Fence and Rail Franchisor, LLC, the “Franchisor” and owner of the SUPERIOR FENCE & RAIL, INC.® franchise system. “You,” “your” or “yourself” means the person or entity that buys the franchise, the “Franchisee.” If you are a corporation, partnership or other entity, “you” also may mean your owners.

Franchisor and Predecessors

We are a Delaware limited liability company formed on December 3, 2021. Our principal business address is 2426 Old Brick Road, Glen Allen, VA 23060. We conduct business under the trademark “SUPERIOR FENCE & RAIL, INC.” Our agents for service of process are listed in Exhibit D.

We acquired the franchise assets related to the SUPERIOR FENCE & RAIL INC. system on December 15, 2021, as the result of a transaction between our parent company, Lynx Franchising, LLC (“**Lynx Franchising**”), and our predecessor, Superior Fence & Rail Franchising, LLC (“**Superior Predecessor**”). Superior Predecessor was the franchisor of the SUPERIOR FENCE & RAIL, INC. system from January 2017 to December 2021 and had a principal business address of 510 Superior Commerce Point, Oviedo, Florida 32765. Superior Predecessor was a Florida limited liability company formed ~~on~~in January 2017. Superior Predecessor had not conducted a business of the type that you will operate, and had not offered franchises in any other line of business other than described in this Item 1.

Parent and Affiliates

We are a wholly-owned subsidiary of Outdoor Living Brands Holdco, LLC (“**OLB Holdco**”), a Delaware limited liability company with a principal business address of 2426 Old Brick Road, Glen Allen, Virginia 23060. OLB Holdco is a wholly-owned subsidiary of Lynx Franchising, a Delaware limited liability company. Lynx Franchising was formerly known as Premium Franchise Brands, LLC and changed its name to Lynx Franchising, LLC in April 2019. Lynx Franchising began operating under the name “Empower Brands” beginning in November 2022. Lynx Franchising is owned by Lynx-JP Holdings, Inc., a Delaware corporation (“**Lynx-JP Holdings**”). Lynx-JP Holdings was formerly known as Jan-Pro Holdings, Inc. and is owned by MidOcean BCAT Holdings, Inc. a Delaware corporation (“**BCAT**”). BCAT is owned by Bobcat Holdings Group, LP, a Delaware limited partnership (“**Bobcat**”). Bobcat is majority owned by MidOcean Associates V, LP (“**MidOcean**”). Lynx Franchising, Lynx-JP Holdings, BCAT and Bobcat each have a principal business address of 2520 Northwinds Parkway, Suite 375, Alpharetta, Georgia 30009. MidOcean has a principal business address of 245 Park Ave 38th Floor, New York, NY 10167. None of these entities has conducted a business of the type that you will operate, and have not offered franchises in any line of business except as otherwise described in this Item 1.

Our affiliate, Superior Fence and Rail of NOFL, LLC (“**Superior NOFL**”) operates two company owned operations that perform fencing services under the Superior Fence & Rail, Inc. brand. Superior NOFL is a Delaware limited liability company, with a principal business office of 510 Superior Commerce Point, Oviedo, Florida 32765. Superior NOFL has not offered franchises in any line of business.

Affiliates That Provide Services to Franchisees

Our affiliate, Lynx Franchising Intellectual Property, LLC (“**Lynx IP**”), a Delaware limited liability company with a principal business address of 2520 Northwinds Parkway, Suite 375, Alpharetta, Georgia 30009, owns all of our rights, title and interest in and to the SUPERIOR FENCE & RAIL service mark, and other related trademarks, trade names, service marks and logos (the “**IP Assets**”), and we entered into a license agreement with Lynx IP granting us a perpetual right to use and sublicense others to use the IP Assets, including the SUPERIOR FENCE & RAIL service mark.

OLB Supply Chain, LLC (“**OLBSC**”), a Delaware limited liability company with a principal business address of 2426 Old Brick Road, Glen Allen, Virginia 23060, sources and distributes certain products for sale to our franchisees and certain affiliates’ franchisees.

The Intelligent Office, Inc. (“**TIO**”), a Colorado corporation, is a subsidiary of Lynx Franchising that provides after-hours phone answering services to certain affiliates’ franchisees.

Lynx Franchising Brands

Lynx Franchising is the parent company to the following franchisors, including us: Outdoor Lighting Perspectives Franchisor, LLC (“**OLP**”), Conserva Irrigation Franchisor, LLC (“**Conserva**”), Archadeck Franchisor, LLC (“**Archadeck**”), Jan-Pro Franchising International, Inc. (“**JPI**”), Jan-Pro Enterprises, LLC (“**JPE**”), The Intelligent Office System, LLC (“**IOS**”), Intelligent Office of Canada, Inc. (“**IOC**”) and FRSTeam, LLC (“**FRSTeam**”). OLP and Archadeck have the same principal business address as us. JPI, JPE, IOS, IOC, and FRSTeam each have a principal address of 2520 Northwinds Parkway, Suite 375, Alpharetta, Georgia 30009.

OLP is the U.S. franchisor of the OUTDOOR LIGHTING PERSPECTIVES® franchise system. OUTDOOR LIGHTING PERSPECTIVES franchises are businesses specializing in providing outdoor lighting design, automated lighting control equipment, holiday lighting design, installation services, and sales to residential and commercial customers. In September 2021, OLP became affiliated with Lynx Franchising through an acquisition. OLP, through its predecessor Outdoor Lighting Perspectives Franchising, Inc. (“**OLPFI**”), offered OUTDOOR LIGHTING PERSPECTIVES franchises since March 2005. As of September 30, ~~2021~~2022, there were ~~102~~110 OUTDOOR LIGHTING PERSPECTIVE franchises, including ~~100~~108 located throughout the U.S., and 2 franchisees located in Canada. OLP has not conducted a business of the type that you will operate, and have not offered franchises in any other line of business other than described above.

Conserva is the franchisor of the CONSERVA IRRIGATION® franchise system in the U.S. CONSERVA IRRIGATION® franchises are businesses offering repair, maintenance, service, design and construction of irrigation systems for residential and commercial customers with an emphasis on water conservation. In September 2021, Conserva became affiliated with Lynx Franchising through an acquisition. Outdoor Living Brands, Inc. began offering royalty-free pilot licenses for CONSERVA IRRIGATION® businesses in April 2014. All pilot licensees were offered the opportunity to enter into franchise agreements with Conserva’s predecessor Conserva Irrigation Franchising, LLC (“**CI LLC**”) during 2017. As of September 30, ~~2021~~2022, there were ~~143~~168 CONSERVA IRRIGATION® franchises located throughout the United States. Conserva has not conducted a business of the type that you will operate, and has not offered franchises in any other line of business other than described above.

Archadeck is the franchisor of the ARCHADECK franchise system. ARCHADECK® franchises are businesses offering certain construction sales and services of outdoor living spaces and environments. In September 2021, Archadeck became affiliated with Lynx Franchising through an acquisition.

Archadeck, through its predecessor, Archadeck Franchising Corporation (“**AD Corp.**”) had offered ARCHADECK businesses since June 1980. As of September 30, ~~2021~~2022, there were ~~73~~70 ARCHADECK franchises (67 located throughout the United States, and 3 located in Canada). Archadeck has not conducted a business of the type that you will operate, and has not offered franchises in any other line of business other than described above.

JPI sells “Jan-Pro” regional developer franchises that sell and support unit franchises that operate commercial cleaning businesses. JPI is a Massachusetts corporation incorporated on April 6, 1995. JPI has offered Jan-Pro commercial cleaning regional developer franchises since 1995. As of September 30, 2021, there were 98 operating regional developer franchises in the United States. JPI has not conducted a business of the type that you will operate, and has not offered franchises in any other line of business.

JPE sells and supports JAN-PRO Franchise Development country master franchises and regional franchise development franchises that sell franchises and provide support services under the JAN-PRO Cleaning & Disinfecting™ brand for the operation of janitorial and building maintenance service franchises outside of the United States. JPE, was formed as a Delaware limited liability company on February 15, 2005. JPE has offered Jan-Pro franchises outside of the United States since February 2005. As of September 30, 2021, there were eight country or international regional developer franchises operating outside of the United States. JPE has not conducted a business of the type that you will operate, and has not offered franchises in any other line of business.

IOS franchises “Intelligent Office Centers” that operate progressive virtual office and communications solutions businesses, offering a range of vital business services to a mobile and non-mobile client base. In December 2018, the IOS system became affiliated with Lynx Franchising through an acquisition. IOS is a Colorado limited liability company formed on March 22, 1999. IOS has offered Intelligent Office franchises since April 1999. As of September 30, 2021, there were 46 franchised Intelligent Office outlets in the United States. IOS has not conducted a business of the type that you will operate, and has not offered franchises in any other line of business.

TIO operates company owned Intelligent Office Centers. In December 2018, TIO became affiliated with Lynx Franchising through an acquisition. TIO, with a principal business address of 4450 Arapahoe Avenue, Boulder, Colorado 80303, is a Colorado corporation incorporated on April 15, 1996. As of September 30, 2020, TIO operated three company owned outlets in Colorado. TIO has not conducted a business of the type that you will operate, and has not offered franchises in any line of business.

IOC franchises “Intelligent Office Centers” in Canada. In December 2018, IOC became affiliated with Lynx Franchising through an acquisition. IOC, with a principal business address of 221 W. Esplanade, Suite 500, North Vancouver, BC V7M 3J3, is a Colorado corporation, incorporated on June 8, 2017. IOC has offered Intelligent Office franchises in Canada since September 2017. As of September 30, 2021, there were 12 franchised Intelligent Office outlets in Canada. IOC has not conducted a business of the type that you will operate, and has not offered franchises in any other line of business.

FRSTeam franchises businesses that provide specialty and emergency dry cleaning and laundry services for clothing and fabrics following a residential or commercial disaster, including damage due to smoke, fire, water and mold. As an option, Franchisees may also provide electronics restoration services following similar disasters. In June 2020, FRSTeam became affiliated with Lynx Franchising through an acquisition. FRSTeam. FRSTeam was incorporated as a California corporation on September 30, 2005, under the name “FRSTeam Corp.” FRSTeam was converted to a California limited liability company under the name “FRSTeam, LLC” on August 20, 2020. FRSTeam has offered FRSTeam franchises since March 2006. As of September 30, ~~2021~~2022, there were 37 franchised FRSTeam outlets in the United States.

FRSTeam has not conducted a business of the type that you will operate, and has not offered franchises in any other line of business.

Custom Commercial Dry Cleaners, LLC (“**CCDC**”) operates company owned CCDC restoration dry cleaning and electronics restoration businesses. In June 2020, CCDC became affiliated with Lynx Franchising through an acquisition. CCDC, with a principal business address of 3201 A Investment Blvd., Hayward, CA 94545, was incorporated as a California corporation on May 26, 1993, under the name “Custom Commercial Dry Cleaners, Inc.” CCDC was converted to a limited liability company under the name “Custom Commercial Dry Cleaners, LLC” on August 20, 2020. As of September 30, 2021, CCDC operated ten company owned outlets. CCDC has not conducted a business of the type that you will operate, and has not offered franchises in any line of business.

Strategic Key Group, Inc. d/b/a The Contents Specialist (“**Strategic Key Group**”) operates two company owned facilities that perform restoration of contents including but not limited to artwork, furniture, antique items, documents, firearms, housewares. In July 2021 Strategic Key Group became an affiliate with Lynx Franchising through an acquisition by CCDC. Strategic Key Group has a principal business address of 9755 Distribution Avenue, Suite B, San Diego California 92121, and was incorporated as a California corporation on August 25, 2014. The Strategic Key Group, Inc. has not conducted a business of the type that you will operate and has not offered franchises in any other line of business.

Other Affiliates with Franchise Programs

Through control with private equity funds managed by MidOcean Partners, a New York-based private equity firm, we are affiliated with the following franchise programs. None of these affiliates operate ~~an~~ SUPERIOR FENCE & RAIL franchise.

Grease Monkey Franchising, LLC (“**GMF**”), which operates under the names Grease Monkey Franchising, LLC, Grease Monkey, and FullSpeed Automotive, is a franchisor of automotive quick lube franchises operating under the Grease Monkey® trade name and business system. GMF is a Colorado limited liability company with a principal business address of 5575 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111. In January 2021, GMF became an affiliate through an acquisition. GMF has been offering Grease Monkey franchises since January 2006, and as of September 30, 2021, there were approximately 454 franchises operating in the United States (186 franchised and 268 company owned). GMF has not conducted a business of the type that you will operate, and has not offered franchises in any other line of business.

GMF acquired substantially all of its assets from Grease Monkey International, LLC (“**GMI**”), which was the franchisor of the Grease Monkey franchise system from approximately September 1978 through March 2006. GMI also offered franchises for Monkey Shine car wash facilities from approximately April 1998 to March 2001. GMI remains the franchisor of all Grease Monkey franchises granted before April 2006. GMI is a Delaware limited liability company with a principal business address of 5575 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111. In January 2021, GMI became an affiliate through an acquisition. As of September 30, 2021 GMI operated 116 Grease Monkey Centers, 33 Speedee Oil and Auto locations, 29 Uncle Ed’s Oil Shoppes, 49 American LubeFast locations, six Super Lube Plus locations, three Economy Oil Change locations, two Mobil 1 Lube Express locations, 12 Excel Car Wash locations, one Rocky Mountain Oil & Wash location, one Shop N Lube location, one Pioneer Oil and Wash location, and six Herbert Automotive locations, all of which are located in the United States. GMI also owns one LubePro’s oil change and lubrication center located in Illinois. LubePro’s International, Inc. was dissolved in August 2016. Some of the franchises are a non-Grease Monkey brand, but are substantially similar to the Grease Monkey franchise. GMI has not

conducted a business of the type that you will operate, and has not offered franchises in any other line of business.

GMI Services S de RL de CV (“**GMI Mexico**”) is a subsidiary of GMI. GMI Mexico provides support services to franchisees operating in Mexico. GMI Mexico’s principal business address is Calzada del Valle 255, Office 233, San Pedro Garza García, N.L., CP 66220, México. GMI Mexico has not conducted a business of the type that you will operate, and has not offered franchises in any line of business.

Speedee Worldwide, LLC (“**Speedee**”) is a franchisor of automotive maintenance and repair services operating under the Speedee® trade name and business system. Speedee is a subsidiary of GMI. Speedee is a Delaware limited liability company with a principal business address of 5575 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111. In January 2021, Speedee became an affiliate through an acquisition. Speedee has been franchising since 1986, and as of September 30, 2021, there were 74 franchises operating in the United States (74 franchised and one company owned), and 21 franchises operating internationally. Until January 2017, Speedee also offered co-branding franchises under a separate Franchise Disclosure Document and different franchise agreement with its former parent, Midas International Corporation (“**Midas**”), for a Midas/Speedee co-branding shop. Speedee also operates 81 Speedee franchises in the United States which are co-branded with Midas, who is not an affiliate. Speedee has not conducted a business of the type that you will operate, and has not offered franchises in any other line of business.

Fast Lube Plus, Inc. (“**Fast Lube**”) is a subsidiary of GMI which provides automotive maintenance and repair services. Fast Lube is a North Carolina limited liability company with a principal business address of 5575 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111. In January 2021, Fast Lube became an affiliate through an acquisition. As of September 30, 2021, there were six locations operating in the United States. Fast Lube has not conducted a business of the type that you will operate, and has not offered franchises in any line of business.

Except as described above, there are no other parents, predecessors or affiliates required to be disclosed in this Item 1.

Franchise Offered

We offer franchises for the operation of Fencing Businesses under the “SUPERIOR FENCE & RAIL” service mark, and other trademarks, trade names, service marks and logos we periodically designate (“**Superior Fence & Rail Marks**” or “**Marks**”). A Fencing Business offers a full offering of wood, steel, aluminum and vinyl fencing and related garden products for residential and commercial customers. The franchise is operated under a business format per a unique system, including our valuable know-how, information, trade secrets, methods, Operations Manual, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of Fencing Businesses (“**System**”). We have the right to change or otherwise modify the System at any time.

You must operate your Fencing Business per our standard business operating practices and sign our standard franchise agreement (“**Franchise Agreement**”). A copy of our current form Franchise Agreement is attached as Exhibit B. The geographic area granted to you under the Franchise Agreement is referred to as the “**Territory**.” Your Fencing Business must offer only authorized services and products as described in the Operations Manual. We have the right to add, modify, or delete any services or products that you must offer or sell at your Fencing Business at any time.

We offer a Franchise to those who meet our then-current standards and qualifications, in our determination. As a Franchise operator you may operate one Fencing Business for each Franchise Agreement you sign with us.

We will grant one license to a franchisee for up to 400,000 people in a designated geographical area (“**Territory**”). We will use the most recent population and demographic information available in the U.S. Census Data, or other population statistical sources of our choosing to determine populations. We have the right to change, modify, or delete the population limits or any other demographic factors considered when granting Territories. If you are granted a Territory with more than 400,000 people, then you will be required to pay an additional fee, as disclosed more fully in Item 5, for each individual in your Territory above 400,000.

If you operate Fencing Businesses in multiple contiguous Territories in the same market under separate Franchise Agreements, then you will be permitted sign our then-current multi-unit addendum (currently attached as an exhibit to the Franchise Agreement), which addresses certain overlap under the separate franchise agreements, such as being able to operate the Franchised Business from a single location or submitting one royalty report for all of your Franchised Businesses that operate from a single business location.

Regulations, Licenses and Permits

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 Fencing Business. You may be required by local and state authorities to obtain certain permits, registrations, certifications or licenses to operate a Fencing Business. 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 Fencing Business to customers have all required licenses and permits, relating to the operation of your Fencing 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 ~~van~~truck 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.

Market and Competition

The SUPERIOR FENCE & RAIL, INC.® system presently focuses on serving residential and commercial customers in urban and suburban areas. You may have to compete with other businesses, including franchised operations, national chains and independently owned companies offering services similar to those in the SUPERIOR FENCE & RAIL, INC.® business to residential and commercial customers. The market is well developed, and sales may be seasonal in some parts of the country.

ITEM 2 BUSINESS EXPERIENCE

Our Executives Group President - Residential Brands: Thomas L. Welter

Mr. Welter has served as our Group President - Residential Brands since October 2022 in Glen Allen, Virginia. Mr. Welter has served as Group President of Archadeck, Conserva and OLP since October 2022, and as Group President of Superior Fence since October 2022. Prior to that, Mr. Welter served as Vice President - Northern Florida for FirstService Residential from August 2021 to October 2022 in Miramar Beach, Florida. Mr. Welter served as Chief Executive Officer for Clean Streak Ventures from February 2020 to January 2021 in Altamonte Springs, Florida. From November 2017 to January 2020 Mr. Welter served as Lift Brands Chief Operating Officer in Chanhassen, Minnesota while holding that same role globally for operations in AMEA and APAC with offices in Canada, UK, New Zealand and Australia. Mr. Welter served as Vice President of Franchising at J.D. Byrider from March 2010 to November 2017 in Carmel, Indiana.

Brand President: Zach Peyton

Mr. Peyton has served as our Brand President ~~joined~~ since our inception in December 2021, and served as President and Director of our Predecessor from 2017 to December 2021. Prior to that, he was and currently still is the President of Superior Fence & Rail of North Florida, Inc., a position he has held since 2009, and works out of its office in Jacksonville, Florida.

~~Chief Operating Officer and a Director: Scott Zide~~

~~Mr. Zide has served as our Chief Operating Officer and as a Director since our inception in December 2021. He has also served as President, Chief Operating Officer and a Director of Conserva, Archadeck and OLP since September 2021. Prior to that, Mr. Zide has served as CI LLC's President, Chief Operating Officer and as a Director from December 2018 to September 2021, and was its Secretary and a Director from March 2017 to December 2018. In addition, he has served as COO of AD Corp, OLPFI and Outdoor Living Brands, Inc. in Richmond, Virginia from September 2008 to September 2021, as well as President and a Director of these entities from September 2010 to September 2021. Mr. Zide has owned and operated an OUTDOOR LIGHTING PERSPECTIVES business in Richmond, Virginia since March 2014. Mr. Zide served as Mosquito Squad Franchising Corporation's COO in Richmond, Virginia from February 2009 until December 2018 and as President and a Director from September 2010 until December 2018. Mr. Zide has served as President, COO and a Director of Renew Crew Franchise Corporation from July 2012 to January 2020 in Richmond, Virginia.~~

Senior Vice President, ~~Chief Financial Officer and Director:~~ of Finance and Accounting: Corey Schroeder, CFA

Mr. Schroeder has served as our Senior Vice President, ~~Chief Financial Officer~~ of Finance and a ~~Director~~ Accounting since our inception in ~~December~~ September 2021. He serves in this role for our Archadeck, Outdoor Lighting Perspectives, Conserva Irrigation franchise businesses and all related affiliates. Mr. Schroeder has served ~~as our Senior Vice President, Chief Financial Officer and a Director of Conserva since September 2021, and prior to that, served as its predecessor's Senior Vice President~~

~~from December 2018 to September 2021, and as its Chief Financial Officer and as a Director from March 2017 to September 2021. the same role for Superior Fence and its affiliates since December 2021. Prior to that, from January 2006 to September 2021, Mr. Schroeder has served as Archadeck's the Senior Vice President and, Chief Financial Officer, and as a Director since September 2021, and had those same roles for its predecessor AD Corp. from January 2006 to September 2021. Mr. Schroeder has served as, Secretary and Treasurer of our predecessor, CFO and a Director of Outdoor Living Brands, Inc. from July 2008 to September 2021 in Richmond, Virginia and Glen Allen, Virginia. and all its various affiliates. Mr. Schroeder's role in our predecessor's business included serving in his role for Mosquito Squad Franchising Corporation (2009 – 2018) and Renew Crew Franchise Corporation (2012 – 2020). In addition, since September 2021, Mr. Schroeder has served as Secretary and Treasurer, CFO and a Director of OLP and other of our affiliates, and previously held those same roles for OLPI and Outdoor Lighting Perspectives International, Inc. from September 2008 to September 2021. Mr. Schroeder was also the Secretary, Treasurer, the Chief Financial Officer and a, Secretary, Treasurer and Director for Insurance Service Brands and its wholly owned subsidiary, National Restoration, Restorations both in Richmond, Virginia, from June 2010 until December 2016. Mr. Schroeder served as Secretary and Treasurer, CFO and a Director of Mosquito Squad Franchising Corporation in Richmond, Virginia from February 2009 until December 2018. Mr. Schroeder also served as Renew Crew Franchise Corporation's Secretary and Treasurer, CFO and as a Director from July 2012 to January 2020 in Richmond, Virginia.~~

Director of Marketing: Jane Campbell

Ms. Campbell has served as our Director of Marketing since our inception in December 2021. Ms. Campbell has also served as the Director of Marketing for Conserva, Archadeck, and OLP since December 2021. Prior to that, Ms. Campbell served as our Digital Marketing Manager from September 2021 to December 2021. Ms. Campbell was also the Digital Marketing Manager for Conserva's predecessor from March 2017 to September 2021, and for Archadeck's and OLP's predecessors from February 2010 to September 2021. Ms. Campbell served as Business Relationship Manager and Inbound Marketing Manager for Renew Crew Franchising Corporation from January 2009 to January 2020. Ms. Campbell also served as Business Relationship Manager and Inbound Marketing Manager for Mosquito Squad Franchising Corporation from January 2009 to December 2018.

Digital Marketing Manager: Annena Ellis

~~Ms. Ellis has served as our Digital Marketing Manager since our inception in December 2021. Ms. Ellis has also served as the Digital Marketing Manager for Conserva, Archadeck and OLP since December 2021. Prior to that, Ms. Ellis served as the Digital Marketing Consultant for Conserva's, Archadeck's and OLP's respective their predecessors from April 2018 until September 2021. Prior to joining the Outdoor Living Brands team, she was a Digital Marketing Specialist at StyleCraftHomes from June 2016 to April 2018 in Richmond, Virginia.~~

Creative Director: Steve Nguyen

~~Mr. Nguyen has served as our Creative Director since our inception in November 2021. Mr. Nguyen has served as our Creative Director for Conserva, Archadeck, and OLP since September 2021, and held that same role for each of their predecessors from October 2019 to September 2021. Prior to that, he has been with the Outdoor Living Brands team since February 2009 serving as Senior Graphic Designer.~~

Franchise Technology Solutions Manager: Erich Johnston

Mr. Johnston has served as our Franchise Technology Solutions Manager since our inception in December 2021. Mr. ~~Johnson~~ Johnston has held that same role for Conserva, Archadeck and OLP since

September 2021, and held that same role for each of their predecessors from April 2019 to September 2021. From July 2018 to March 2019, ~~he~~[Mr. Johnston](#) was CI LLC's IT Support and Project Specialist. Prior to joining the Outdoor Living Brands team, Mr. Johnston was the Account Manager at HindSite Software (CRM) in St. Paul, Minnesota from November 2012 through June 2018.

Our Parent's Executives

~~President and~~ Chief Executive Officer: ~~Michael Isakson~~[Scott Zide](#)

~~Mr. Isakson has been the Interim President and Chief Executive Officer of Lynx Franchising since October 2021 and has been a member of the board of directors since January, 2021. Mr. Isakson has been a member of the board of directors of Griswold Home Care since 2013. Mr. Isakson was also a member of the board of directors of the Planet Fitness brand from 2016 to 2021. Mr. Isakson has been a Merry Maids franchisee since November 2012. Mr. Isakson has been the managing partner of Insight to Execution, and advisory/consultancy business to the franchise industry, since 2012. He is based in Atlanta, Georgia.~~

[Mr. Zide has been the Chief Executive Officer of Lynx Franchising since March 2022. Mr. Zide was also the President, COO and a Director of each of Archadeck, Conserva, and OLP from September 2021 to March 2022, and the COO of their predecessor, Outdoor Lighting Perspectives Holdings Corporation \("OLPHC"\), from January 2007 to September 2011 and President of OLPHC from September 2010 to September 2021. Mr. Zide was also the Chief Operating Officer and a Director of Superior Fence from December 2021 to March 2022. From September 2008 to September 2021, Mr. Zide was also the COO of OLPHC's parent, Outdoor Living Brands, Inc., and served as its President from September 2010 to September 2021, in Richmond, Virginia. Mr. Zide also served as the President and Chief Operating Officer of Outdoor Living Brands Supply Corporation from December 2010 to September 2021, and OLP Commercial Services from June 2010 to September 2021, in Richmond, Virginia. Mr. Zide has owned and operated an Outdoor Lighting Perspectives® \[business in Richmond, Virginia since March 2014\]\(#\). From December 2018 to September 2021, Mr. Zide also served as President, COO, and a Director of CI LLC and as AD Corp.'s COO from September 2009 to September 2021, and as its President and a Director from September 2010 to September 2021. From February 2009 until December 2018, \[Mr. Zide served as Mosquito Squad Franchising Corporation's COO in Richmond, Virginia\]\(#\) and as President and a Director from September 2010 until December 2018. From July 2012 to January 2020, Mr. Zide served as President and Chief Operating Officer of Renew Crew Franchise Corporation in Richmond, Virginia. Mr. Zide is based in Richmond, Virginia.](#)

Vice President and Chief Financial Officer: [Michael Borreca](#)

Mr. Borreca has been the Vice President and Chief Financial Officer of Lynx Franchising since March 2017. From January 2015 to February 2017, Mr. Borreca was the Vice President, Corporate Finance and Treasurer of FOCUS Brands, Inc. in Atlanta, Georgia. From December 2007 to January 2015, Mr. Borreca held various positions with KPMG, LLP in Tampa and Miami, Florida. ~~He~~[Mr. Borreca](#) is based in Alpharetta, Georgia.

[Chief Development Officer: R. Scott Sutton](#)

[Mr. Sutton has been the Chief Development Officer of Lynx Franchising since December 2022. From July 2021 to December 2022, Mr. Sutton was the Chief Growth Officer of Threshold Brands, LLC in Boston, Massachusetts. From August 2010 to July 2021, Mr. Sutton was VP of Business Development at Deluxe Corporation \(d/b/a Safeguard Franchise Systems\) in Dallas, Texas.](#)

Vice President, Information Technology: Andrew Forrest

Mr. Forrest has been the Vice President, Information Technology of Lynx Franchising since January 2018 and was the Director of Information Technology of Lynx Franchising from January 2017 to January 2018. From April 2016 to December 2016, Mr. Forrest was unemployed as he waited for his U.S. work permit to issue. During this time, he obtained a CAPM (Certified Associate Project Manager) certification, and a CSM (Certified Scrum Master) certification. From September 2009 to March 2016, Mr. Forrest worked for Abbey Protection Group in London, England, first as a Development Manager and then as Head of IT. ~~He~~Mr. Forrest is based in Alpharetta, Georgia.

Vice President, General Counsel: ~~John Haraldson~~Sanjay B. Malhotra

~~From November 2019 to present,~~

Mr. ~~Haraldson~~Malhotra has ~~been the General Counsel of~~served as Vice President, General Counsel for Lynx Franchising and ~~has also been General Counsel for its affiliates: us, JPE, IOS, and TIO, since August 2022. Mr. Malhotra is based in Richmond, Virginia. From June 20202019 to presentAugust 2021, Mr. Haraldson has also been General Counsel for FRSTeam and CCDC. From June 2013 to January 2019Malhotra was the Chief Legal Officer of Paris Baguette Bon Doux and its US and Canadian affiliates headquartered in Moonachie, New Jersey. From December 2014 to October 2018, Mr. HaraldsonMalhotra was the Vice President and DivisionGlobal General Counsel for the ServiceMaster Franchise Services Group, including the ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic, and AmeriSpec franchised brands, in Memphis, Tennessee. He is based in Alpharetta, Georgia.~~of Le Pain Quotidien based in New York, NY and Brussels, Belgium.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

Franchise Agreement

Initial Franchise Fee. You must pay us an Initial Franchise Fee equal to \$59,500, provided that your Territory is less than 400,000 people (“**Population Limit**”). The Initial Franchise Fee is payable in full when you sign a Franchise Agreement, and except as described below, is not refundable. Other than the Initial Franchise Fee, there are no other initial fees charged to you. If your Territory is larger than the Population Limit, we reserve the right to charge you an increased Initial Franchise Fee, which will be determined on a case-by-case basis.

Additional Population Fee. If we permit you to purchase additional geographic areas for a specific Territory so that the Territory exceeds 400,000 people, then you must pay us an additional fee in an amount equal to the population in your Territory in excess of 400,000 multiplied by \$0.15 (the

“Additional Population Fee”). We do not anticipate granting a single Territory that exceeds 599,999 individuals. The Additional Population Fee is earned upon receipt and not refundable under any circumstances.

For example, if we permit you to purchase additional geographic areas for your Territory so that the individual Territory consists of a total population of 440,000 people, then you must pay us an Additional Population Fee equal to \$6,000, for a total Initial Franchise Fee of \$65,500 (which is equal to \$59,500 + \$6,000).

VetFran Discount. We are a member of the International Franchise Association (“IFA”), and support and participate in IFA’s VetFran Program. If you are an honorably discharged veteran who meets our qualifications for new SUPERIOR FENCE & RAIL, INC.® franchisees, we will discount the Initial Franchise Fee by 15%. The VetFran discount may be used only once for one Territory. The VetFran discount may be applied toward the purchase of only one of the franchise concepts offered by us and our Affiliates.

Multi-Territory Discount. If you license multiple contiguous Territories from us at the same time (for which you are signing separate Franchise Agreements for each Territory), the Initial Franchise Fee that you must pay under the second and each additional Franchise Agreement will be as follows:

Number of Territories	Initial Franchise Fee Per Respective Territory	Total Initial Franchise Fees
1	\$59,500	\$59,500
2	\$40,000	\$99,500
3	\$35,000	\$134,500
4	\$30,000	\$164,500
5	\$30,000	\$194,500
6	\$30,000	\$224,500
7	\$30,000	\$254,500
8	\$30,000	\$284,500
9	\$30,000	\$314,500
10	\$30,000	\$344,500

Existing Franchisee: Additional Territory Discount. If you are an existing SUPERIOR FENCE & RAIL, INC.® franchisee that: (a) has been a SUPERIOR FENCE & RAIL, INC.® franchisee for at least 18 months, (b) has been operating a Fencing Business for at least 18 consecutive months, (c) meets our qualifications for new SUPERIOR FENCE & RAIL, INC.® franchisee, and (d) is purchasing an additional contiguous Territory from us (for which you are signing a separate franchise agreement), we will discount the then-current franchise fee by \$7,500.

Existing Franchisee: Additional Concept Discount. We and our affiliates Conserva, Archadeck, and OLP offer a program to reward qualified existing franchisees that purchase an additional franchise from us, Conserva, Archadeck, or OLP. If you have been a Conserva, Archadeck, or OLP franchisee in full compliance under your Franchise Agreement for at least 2 consecutive years and you meet our qualifications for new SUPERIOR FENCE & RAIL, INC.® franchisees, we will discount the Initial Franchise Fee by 20%.

Discount for Employees of Franchisees. We have a discount program to reward qualified employees of our franchisees who: (a) have been recommended in writing by a franchisee; (b) have been employed in good standing by a franchisee for at least 2 years; and (c) meet our qualifications for new

SUPERIOR FENCE & RAIL, INC.® franchisees. We offer a 5% discount for every year of employment over 2 years subject to a maximum discount of 50% as shown below:

Percentage Discount	Years of Consecutive Employment
10%	2
15%	3
20%	4
25%	5
30%	6
35%	7
40%	8
45%	9
50%	10 and more

Combination and Application of Discounts. The VetFran discount is the only discount that can be combined with any of our other discounts. If you qualify for the VetFran or employee discount and during the first 3 years of the term of the Franchise Agreement you: (a) fail to maintain at least a 75% interest in the franchisee entity; or (b) cause any transfer under the terms of the Franchise Agreement, then you must immediately pay us the discounted amount of the Initial Franchise Fee.

We will refund 50% of the Initial Franchise Fee within 30 days after notice of termination by us if you do not receive all applicable licenses and permits to operate your Business within 6 months after the mutual execution of the Franchise Agreement, provided that you have used all commercially reasonable efforts, as we determine in our sole discretion, to secure the applicable licenses and permits. We will notify you in writing if we decide to terminate your franchise and give you a partial refund of the Initial Franchise Fee. In addition, in limited circumstances, we may offer to finance up to 50% of your Initial Franchise Fee. There are no refunds of these fees under any other circumstances.

Initial Software License Fees

~~The initial fee for the software is \$2,500. The initial software fee is non-refundable, fully earned and payable to us before you attend our initial training program. You will be required to sign the Software License Agreement attached as an exhibit to the Franchise Agreement.~~

ITEM 6 OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Monthly Branding Royalty (1), (3)	For a period of 24 months beginning on the Operational Start Date of your Fencing Business (as defined in the Franchise Agreement) you must pay us a Monthly Branding Royalty based on calendar year-to-date Gross Revenue equal to:		If you operate Fencing Businesses in multiple contiguous Territories in the same market under separate Franchise Agreements, you may aggregate your Gross Revenue from these contiguous Territories for purposes of calculating your Year-to-Date Gross Revenue in order to determine your required Royalty Percentage.
	Year-to-Date Gross Revenue	Royalty Percentage	
	\$0 - \$1,999,999	6%	
	\$2,000,000 - \$3,999,999	5%	
	\$4,000,000 and above	4%	
		Payable by EFT monthly on or before the 10th of each month	

Type of Fee	Amount	Due Date	Remarks
	Beginning on the 24-month anniversary of the Operational Start Date, the Monthly Branding Royalty payable will be equal to the greater of: (a) the amount described in the table above based on year-to-date Gross Revenue; or (b) \$1,000.		
Individual Advertising Investment	Minimum \$40,000 per calendar year for one Territory; minimum \$60,000 if you are granted two contiguous Territories. A minimum of \$20,000 for each additional contiguous territory.	Payable to third-parties at times set by you	The first calendar year will begin on the Operational Start Date and end on December 31st immediately following the Operational Start Date. During the first calendar year, your Individual Advertising Investment will be prorated. We will provide recommendations for local advertising. We have the right, but not the obligation, to collect up to the minimum required Individual Advertising Investment from you after your commence operations, and administer it on marketing and advertising investments in your Territory on your behalf.
National Branding & Marketing Fee (3)	1% of Gross Revenues	Payable by EFT monthly on or before the 10 th of each month	The obligation to pay the National Branding & Marketing Fee begins on the Operational Start Date of your Fencing Business.
Transfer Fee (3)(4)	\$10,000	Due when franchisee sells their business	Payable before you transfer your Fencing Business
Audit (3)	Cost of audit plus late fee of 1 1/2% interest per month on understatement	30 days after billing	Payable only if audit shows an under-statement of at least 2% of gross revenue for any month
Fee for Lost Manuals (3)	\$500	Upon delivery	
Successor Franchise Fee (3)	\$4,950 or 10% of the then existing initial franchise fee, whichever is greater	Upon executing the then-current successor Franchise Agreement	
Insurance (2)	At a minimum, comprehensive general liability coverage and products liability	As incurred	Insurance requirements are set forth in Section 12.1(a) of the Franchise Agreement. Insurance requirements may be changed by us, in our sole discretion
Indemnification (3)	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your Fencing Business
Cost of Enforcement or Defense (3)	All costs including accounting and attorneys' fees	Upon settlement or conclusion of claim or action	You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement
Interest (3)	Lesser of 1 1/2% per month or highest rate of interest allowed by law	As incurred	Begins to accrue after any payments are due and unpaid
Late Report Fee (3)	\$100 per violation	As incurred	Payable only if a required report or financial statement is not delivered when due
Technology Maintenance	The then-current cost of purchasing required hardware and software upgrades.	At time of upgrade, which may be	We impose no cap or limitation on the amount of expense you may incur for

Type of Fee	Amount	Due Date	Remarks
Expense (3)	The estimated range of costs are \$0-\$5,000	required at any time if we determine that the existing hardware and/or software is outdated	hardware and software upgrades
Seminars, Conventions or Programs (3)	You must pay your expenses, conference fees, if any, as well as the expenses your Designated Business Manager and employees incur in attending these meetings. The estimated range of costs is \$500-\$2,500 plus materials estimated at \$50	Monthly and as incurred	We reserve the right to conduct required periodic meetings of all franchisees. Currently, attendance at the annual convention is required. We may collect the annual convention fee on a monthly basis or in any other manner or frequency we determine.
Technology Fee (3)(5)	Then-current fee, which is currently \$250 per month, plus \$125 per additional software license	Monthly	The Technology Fee covers one license for certain software. You must pay us or our designated third-party supplier the then-current per license monthly fee if you request additional licenses. We may increase the Technology Fee upon 30 days' notice to you.
Fees to Evaluate an Alternative Supplier	Currently, we do not charge any fees to evaluate an alternative supplier	Before evaluation	We may charge reasonable fees in the future.
Fees for Special Assistance	Amounts we or another Superior Fence & Rail franchisee incurs to assist you in completing a job that you are unable or unwilling to complete	As incurred	
National Accounts Program	Then-current fee, currently between 3% to 6% of Gross Revenue generated from the National Accounts Program, depending upon the national account customer	As determined by us	You must participate in any national accounts program we designate, and pay us any then-current fees associated with such program. As of the issuance date of this disclosure document, we are currently establishing our national accounts program. As of the issuance date of this disclosure document, we anticipate that you will be required to pay us a fee equal ranging from 3% to 6% of Gross Revenues for any national account customer serviced (in addition to the Monthly Branding Royalty). All fees related to the national accounts program are determined by us.
Supplemental or Refresher Training	Then-current fee	As incurred	Payable if we require you to attend any additional or supplemental training programs. We do not pay any travel expenses, lodging, meals, ground transportation or other personal expenses.
State License Fee	Our then-current fee, currently \$150 per month	Monthly	In limited circumstances in certain states, if you do not currently meet the qualifications to obtain the required license to operate the Fencing Business, we may allow you to operate your Fencing Business in connection with a license that we or our affiliates own; provided that you obtain your own license within 6 months after you meet the state experience qualifications. You also may hire an individual or partner with an individual that has the required

Type of Fee	Amount	Due Date	Remarks
			license. We may impose additional conditions if we allow you to operate in connection with our or our affiliates' license, such as engaging a third-party professional services organization.
Early Termination Fee	An amount equal to 24 times the average monthly Royalty fees payable to Franchisor over (i) the last 12 months of the Franchised Business's active operations, or (ii) the entire period the Franchised Business has been open for business, whichever is the shorter period.	Within 30 days of the early termination date	We may require you to pay us an early termination fee in the event the Franchise Agreement is terminated prior to its natural expiration date.

Notes:

(1) The term "Gross Revenue" means the total of all receipts derived from all sales of products and services in connection with your Fencing Business, including, without limitation, labor, insurance claims for lost profits to the extent a claim is paid by the insurer, and all other products and services sold or performed by or for you or your Fencing Business or by means of the business conducted under the Franchise Agreement, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons, services, property or other means of exchange. Gross Revenues do not include:

(i) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and in fact paid by you to the appropriate governmental authority; and

(ii) all customer refunds, valid discounts and coupons, and credits made by the Fencing Business (exclusions will not include any reductions for credit card user fees, financing program fees, returned checks or reserves for bad credit or doubtful accounts).

(2) Insurance. You must procure and maintain, at your own expense, insurance policies protecting you, us, our designated affiliates (including our parent) and the officers, directors and employees of us and our designated affiliates against any loss, liability, personal injury, death, property damage, or expense resulting from the operation of your Fencing Business and all services you provide in connection with the operation of your Fencing Business as we may require for your and our protection in our sole discretion in amounts set forth in the Operations Manual and Franchise Agreement (which may be adjusted periodically in our sole discretion). You must also procure and maintain all other insurance required by state or federal law, including workers compensation insurance and unemployment insurance. The policies must also stipulate that we shall receive a thirty-day prior written notice of cancellation and must contain endorsements by the insurance companies waiving all rights of subrogation against us. You must provide us with all proof of insurance we require, including original or duplicate copies of all insurance policies, certificates of insurance, original endorsements affecting the coverage required by us, together with proof of payment within ten days of issuance. You shall also furnish us with proof of insurance, including certificates and endorsements evidencing this insurance coverage within ten days after each of the following events: (i) at all policy renewal periods, no less often than annually, and (ii) at all instances of any change to, addition to, or replacement of any insurance. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All proof of insurance is subject to approval by us. If you fail to procure and maintain the required insurance coverage, we have the right and authority to procure the insurance

coverage and charge you, which charges, together with a reasonable fee for our expenses incurred in this procurement, you will pay immediately upon notice.

(3) **Payment of Fees.** These fees are uniformly imposed and payable to us or our affiliates. However, some existing franchisees may be required to pay different amounts based upon prior forms of franchise agreements that they signed. All fees paid to us or our affiliates are non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may or may not be refundable depending on your vendors and suppliers. We reserve the right to require you to pay fees and other amounts due to us via electronic funds transfer or other similar means, as described in the Franchise Agreement. If payments are required in this method, you must comply with our procedures and perform all acts and deliver and sign all documents, including authorization (in the form attached to the Franchise Agreement as Attachment D or any other form that we may accept) for direct debits from your business bank operating account, which may be necessary to assist in or accomplish payment by this method. Under this procedure you shall authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest that may be owing. You shall make the funds available to us for withdrawal by electronic transfer no later than the payment due date. If you have not timely paid the Monthly Branding Royalties and National Branding & Marketing Fees to us for any month, then we shall be authorized, at our option, to debit your account for the Monthly Branding Royalties and the National Branding & Marketing Fees.

(4) **Transfer Fee.** If you engage a broker to assist you in selling your Business, or if you ask that we assist you in the sale of your Business and we engage a broker, you will be responsible for any commission or fees that the broker charges in connection with the sale.

(5) **Technology Fee.** You must pay us a monthly technology fee (“**Technology Fee**”) for access to our designated technology package, which currently includes a one license to our proprietary software. You must pay an additional fee for each additional license that you request. The amount of the Technology Fee will be determined by us and specified in the Manual. If you license and operate multiple contiguous Territories, you will utilize the same designated technology package for all of your contiguous Territories, and we will only require you to pay the applicable Technology Fee as if you were operating those contiguous Territories as only one Fencing Business.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure (1)	Estimated Low/High Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee (2)	\$59,500	Lump sum	Upon signing the Franchise Agreement	Us Franchisor
Software License Fee	\$2,500	Lump sum	Upon signing the Franchise Agreement	Us
Travel and living expenses while training (3)	\$2,000/\$3,000	As incurred	As incurred during training	Airlines, hotels, restaurants
Tools and equipment (4)	\$10,000/\$35,000	Lump sum	At delivery	Suppliers
Computer hardware and software (5)	\$800/\$2,000	Lump sum	At delivery	Suppliers, vendors
Inventory (6)	\$15,000/\$25,000	Before opening and as needed	At delivery	Suppliers
Trade show booth	\$2,500/\$2,500	Lump Sum	As arranged	Suppliers

Type of Expenditure (1)	Estimated Low/High Amount	Method of Payment	When Due	To Whom Payment is Made
Rent and Security Deposit for Office and Storage Facility (7)	\$4,000/\$12,000	As incurred	Varied times	Suppliers, vendors
Furniture and Fixtures	\$1,200 / \$7,800	As incurred	Varied times	Suppliers, vendors
Vehicle (8)	\$3,000/\$10,000	Monthly fee or lump sum	Varied terms	Auto dealer
Vehicle signage and Outfitting (9)	\$2,500/\$5,000	As incurred	At delivery	Vendors
Initial marketing expenses (10)	\$10,000/\$15,000	As incurred	Varied times	Vendors
Additional Funds - 3 months (11)	\$20,000/\$30,000	As incurred	Varied times	Suppliers, utilities
TOTAL (12)	\$133,000 \$209,300 <u>\$130,500</u> <u>0 / \$206,800</u>			

Notes:

(1) Expenditures. The estimated high and low ranges in the table are based on the past experience of Superior Predecessor and company owned SUPERIOR FENCE & RAIL, INC.® businesses and our reasonable estimate. All fees imposed by us are non-refundable unless otherwise noted. Fees and expenses paid to vendors or other third parties may or may not be refundable depending on the arrangements you make with them.

(2) Initial Franchise Fee. For start-up franchises, the above chart assumes you did not qualify for any discounts, and paid the standard Initial Franchise Fee. The high end of the range assumes you paid the standard Initial Franchise Fee. The Initial Franchise Fee is due when you sign the Franchise Agreement and is generally non-refundable once paid. In limited circumstances, we may offer to finance up to 50% of your Initial Franchise Fee.

(3) Travel and Living Expenses While Training. We provide training at our corporate office and training center located in or around Richmond, Virginia or at another location we designate. You must pay for airfare, meals, transportation costs, salaries, benefits, lodging and incidental expenses for all initial training program attendees.

(4) Tools and Equipment. The equipment includes wire and valve locators, basic hand tools and various fencing and rail industry tools and other equipment you will need to efficiently operate your Fencing Business. The above estimate assumes that you will lease or finance the required tools and equipment from third-party vendors and reflects the estimate amount that you would pay before opening and the first three months of operations.

(5) Computer Hardware and Software. The estimated initial investment includes costs related to the purchase of specified computer hardware and software. If we require, you must provide us with electronic access to certain daily information.

(6) Inventory and Supplies. Your initial inventory and supplies will typically include supplies to conduct at least a month of Services. We have the right to change the inventory and supplies at any time.

(7) Rent and Security Deposit for Office and Storage Facility. You will need at least 500 square feet of office space for your Fencing Business. In addition, you will need at least 1,000 square feet of indoor space to store miscellaneous tools and equipment, and certain types of inventory. You will also

need space available to park your trucks (if you have them) and to store your fence inventory; however, this space can be outdoor space rather than indoor space in your facility. Your rent will depend on the size, condition and location of the leased premises. The above estimates reflect your estimated rent for the first three months, plus a security deposit. Local law may require that your office and storage facility be located in an industrial area. You are responsible for determining if there are any zoning or other requirements regarding the location of your office and storage facility. If you lease space, you will generally be required to pay first and last month's rent, plus a security deposit, at the time you sign the lease. In most cases, the terms and conditions of all agreements relating to the purchase, lease, and alteration of the property will be negotiated solely by you; however, we may require you to incorporate certain provisions into your lease.

(8) Vehicle. The above estimates assume that you will lease or purchase a ~~van~~[truck](#) that meets our specifications, and reflect the amounts that you may pay prior to opening and during the first three months of operations. The amount that you pay will be impacted by your credit and the leasing or financing terms that you negotiate with the auto dealer, including the amount of deposit that you pay for the vehicle. We do not require that you purchase a vehicle if you already own a suitable white ~~van~~[truck](#) in good condition that can be dedicated to the Fencing Business.

(9) Vehicle Signage and Outfitting. You must purchase a vehicle signage wrap for your ~~van~~[truck](#). We will provide you with the requirements and design for the vehicle signage wrap. You must also outfit the vehicle with our approved shelving and racking setup.

(10) Initial Marketing Expenses. You will launch a marketing and advertising campaign for your Fencing Business in your Territory when you begin operations of your Fencing Business and before the operating season in your Territory. These expenditures will count toward your Individual Advertising Investment requirement described in Items 6 and 11.

(11) Additional Funds. This is for budgeting purposes only to account for unanticipated expenses. This amount includes estimated operating expenses you should expect to incur during the first 3 months of operations, not including any revenue generated by your Fencing Business. It includes Monthly Branding Royalties, National Branding & Marketing Fees, payroll costs, deposits, fees for city, state and local business licenses, insurance, business entity organization expenses, Internet access expenses, other prepaid expenses, accounting and professional fees, and other operational expenses. These figures do not include any taxes that you may pay. You should check with your local and state governmental agencies for any taxes that may be assessed. In addition, these figures do not include any compensation that you may choose to draw from your Fencing Business.

(12) Total Estimated Initial Investment. These figures are estimates only. You should review these figures carefully with a business advisor before making any decision to purchase the Fencing Business. You may incur additional expenses starting your Fencing Business. Your costs depend on several factors, including how well you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our services; the prevailing wage rate; competition; the time of year that you launch operations; and sales levels reached by your Fencing Business during the initial period. Other than the Initial Franchise Fee, we will not provide any direct or indirect financing.

We have relied on Superior Predecessor's experience and our reasonable estimate to compile these estimates. This is only an estimate of your initial investment and is based on our estimate of nationwide costs and market conditions prevailing as of the date of this disclosure document. You must bear any deviation or escalation in costs from the estimates that we have given. You should review these figures carefully with a business advisor before making any decision to license ~~an~~[a](#) Fencing Business.

Many factors that are unique to your location can make a dramatic difference in the estimates provided. The availability and terms of financing depend on several factors, including the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must establish and operate your Fencing Business in compliance with your Franchise Agreement and the required standards and specifications contained in the SUPERIOR FENCE & RAIL, INC.® confidential operations manual (“**Operations Manual**”) we loan to you.

You must provide specified services and use and sell specified products. The services include selling, furnishing and installing wood, steel, aluminum and vinyl fencing and related garden products (“**Services**”). The products include SUPERIOR FENCE & RAIL, INC.® branded products and equipment (“**Products**”). We reserve the right to require that you sell additional or different Services and Products in your Fencing Business on 30 days’ prior written notice to you. You must provide the Services and sell the Products per our specifications and standards. We reserve the right to change standards and specifications on 30 days prior written notice to you.

We have standards and specifications for your Products, Services, storage facility, equipment, tools, vehicle, uniforms, inventory, supplies, forms, advertising materials, computer hardware and software, accounting systems, bookkeeping service, and/or other services and products used in, sold or provided through your Fencing Business (“**Required Items**”). We will notify you of our specifications and standards. To maintain our standards of consistent, high quality products, customer recognition, advertising support, value and uniformity in Fencing Business, we may require you to purchase or lease some or all Required Items per our specifications and standards. We also reserve the right to require you to purchase any Required Items only from our designated or approved suppliers. The term “suppliers,” also includes vendors, manufacturers and distributors. As of the issuance date of this disclosure document, you are only required to purchase one Required Item from a designated supplier, specifically, certain software. Currently, we are the only approved supplier for our designated software (Fencing Fence360) that you must use in connection with your Fencing Business. We have identified a number of preferred, but not required, suppliers for other Required Items. Except as disclosed in this Item 8, neither we nor an affiliate is currently the only designated or approved supplier of any Required Items. We reserve the right, however, at any time and at our discretion, to designate ourselves or one of our affiliates (including OLBSC) as the only designated or approved supplier, or one of several designated or approved suppliers, of any additional Required Items.

Except for certain Required Items, we do not require that you purchase any equipment, tools, goods or services from us, our affiliates or any other source we designate. You may purchase these from any supplier, but we reserve the right to designate other required suppliers in the future.

You must lease or buy service vanstrucks that are large and durable enough to accommodate our standard complement of equipment, tools and accessories. While we currently specify the options of make(s) and model(s) of vantruck you must acquire or lease, we do not specify the source from which you must acquire or lease it provided it meets our specifications. Your vantruck(s) must be in good working condition, and be outfitted with our trade dress so that they will look the same as other franchisees' vanstrucks when emblazoned with the SUPERIOR FENCE & RAIL, INC.® name, logo and decorations. As your Fencing Business grows, you may require additional vanstrucks.

You must purchase and use computer hardware that meets our specifications. Currently, we require you to license our designated software and sign the Software License Agreement attached to the

Franchise Agreement, but we do not otherwise specify the make or model of computer equipment you buy or where you buy it, so long as it meets our specifications. We may require that you upgrade or change your computer equipment and software periodically. Additionally, you must pay a monthly Technology Fee for use of our technology platform, software, and electronic communications system. You will be provided an e-mail account that you may use with your Fencing Business.

During the first two full years of operations, you must use a bookkeeping service approved by us. If we are required to sit on your board in order for you to obtain the requisite permits, registrations or licenses to operate ~~an~~ Fencing Business, 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 obligation to comply with various state employment law.

We may establish approved suppliers and specifications and standards that you must follow. Any required or preferred suppliers are set forth in our Operations Manual.

Approved suppliers and specifications and standards are determined based on the current needs for operating Fencing Businesses. If we have a designated supplier for any product and you want to purchase a product from a supplier that does not appear on our designated supplier list or use a product that is not on our approved-product list, you must first furnish us samples of the product from the supplier, together with as much information as you can gather about the product's composition, properties and intended uses; the results of lab and field tests on its use; the manufacture's location, years in business, quality control standards and warranty policies; and such other information as we request. We may evaluate designated suppliers based on price, service, quality, warranty, delivery terms, and other commercially reasonable benchmarks. Any preferred or required suppliers will be specified in the Operations Manual. We may establish procedures for approving alternative required suppliers you recommend (including alternative suppliers for Required Items) based on the criteria described above. We will notify you within 90 days of your request to evaluate an alternative supplier of our approval or disapproval of that supplier. Currently, we do not charge a fee to evaluate an alternative supplier, but we reserve the right to charge a fee in the future. We may revoke our approval of any supplier with 30 days' prior written notice to you.

You are also required to purchase and maintain the insurance that we describe in the Operations Manual which may be adjusted periodically. Currently, you must procure and maintain, at your own expense, (a) general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate, (b) auto liability insurance with at least \$1,000,000 in coverage, and hired and non-owned auto liability with at least \$1,000,000 in coverage, (c) an umbrella liability with \$2,000,000 in coverage, and (d) business personal property insurance in the amount of at least \$10,000 per location. You must also procure and maintain all other insurance required by state or federal law, including workers compensation insurance and unemployment insurance.

We estimate that purchases and leases required by us, will equal approximately 65% to 75% of the total cost to establish your franchise. We estimate that purchases of these items will total approximately 65% to 75% of a franchisee's ongoing operating expenses.

We and our affiliates have the right to receive fees, payments, rebates, commissions or other consideration from third-party manufacturers, suppliers and/or distributors. The payment of any rebates or consideration may or may not be reasonably related to services we or our affiliates provide to these third parties. We and our affiliates may, and currently do, derive revenue or other consideration from your purchases of Required Items from us or our affiliates. These payments may range from less than 1% up to 10% or more of the total purchase price of those items. We and our affiliates will retain and

use any fees, payments, rebates, commissions or other consideration as we deem appropriate or as required by a particular manufacturer, supplier or distributor.

~~Because we are a newly formed entity, we did not receive any revenue in~~ During our ~~prior~~ last fiscal year, which ended September 30, ~~2021~~2022, based on internal records, we received \$381,951 revenues from ~~our franchisees' purchases~~the sale of approved, but not required, products and services to our franchisees. These amounts represent 4% of the total \$9,591,400 in revenue we and our affiliates received in connection with the Superior Fence & Rail system in the last fiscal year ending September 30, 2022.

We do not have any purchasing or distribution co-operatives as of the issuance date of this disclosure document. We may negotiate purchase arrangements with designated and approved suppliers for the benefit of our franchisees. We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers or purchases of particular products or services.

Some of our officers own an indirect interest in Lynx Franchising or its subsidiaries. We and OLBSC are wholly owned subsidiaries of OLB Holdco, which is a wholly-owned subsidiary of Lynx Franchising. Otherwise, there are no suppliers in which one of our officers owns an interest.

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 franchise disclosure document.

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Definitions and Sections 7 and 8 of Franchise Agreement	Item 11
b. Pre-opening purchases/leases	Sections 8 and 9 of Franchise Agreement	Item 8 & Item 11
c. Site development and other pre-opening requirements	Section 8 of Franchise Agreement	Item 6, Item 7 & Item 11
d. Initial and ongoing training	Sections 7 and 8 of Franchise Agreement	Item 11
e. Opening	Section 8	Not Applicable
f. Fees	Sections 5, 6, 8 and 11 of Franchise Agreement	Item 5 & Item 6
g. Compliance with standards and policies/operating manual	Section 8 of Franchise Agreement	Item 11
h. Trademarks and proprietary information	Section 10 of Franchise Agreement	Item 13 & Item 14
i. Restrictions on products/services offered	Sections 8 and 9 of Franchise Agreement	Item 8 & Item 16
j. Warranty and customer service requirements	Section 8 of Franchise Agreement	Item 11
k. Territorial development and sales quotas	Section 4 of Franchise Agreement;	Item 11 & Item 12
l. Ongoing product/service purchases	Sections 9 and 12 of Franchise Agreement	Item 16
m. Maintenance, appearance and remodeling requirements	Section 8 of Franchise Agreement	Item 7
n. Insurance	Section 12 of Franchise Agreement	Item 8
o. Advertising	Sections 8 and 11 of Franchise Agreement	Item 11
p. Indemnification	Section 12 of Franchise Agreement	Not Applicable
q. Owner's participation/management/staffing	Sections 1 and 8 of Franchise Agreement	Item 15
r. Records/reports	Sections 6 and 17 of Franchise Agreement	Item 6 & Item 17

Obligation	Section in Franchise Agreement	Disclosure Document Item
s. Inspection/audits	Section 6 and 8 of Franchise Agreement	Item 6
t. Transfer	Section 15 of Franchise Agreement	Item 17
u. Renewal	Attachment G	Item 17
v. Post-termination obligations	Sections 10, 12, 14 and 17 of Franchise Agreement	Item 17
w. Non-competition covenants	Section 14 of Franchise Agreement	Item 17
x. Dispute resolution	Sections 19 and 20 of Franchise Agreement	Item 17
y. Personal Guaranty (including owners/spouses)	Attachment B	Item 15

ITEM 10 FINANCING

Except as indicated below, we require that all initial fees be paid to us at the time of signing the Franchise Agreement.

Under limited and special circumstances, we may make optional financing available to qualifying existing franchisees. In those situations, we may finance up to 50% of your Initial Franchise Fee for up to 36 months, provided you sign the Promissory Note (“**Note**”) attached as Exhibit H at the time you sign the Franchise Agreement. The effective annual interest rate will be 3.04.0 percentage points above the prime interest rate on the effective date of the Franchise Agreement. The Note will be paid in equal monthly payments. There is no prepayment penalty and the rule of 78 does not apply (the rule of 78 is a method of computing interest which requires the interest originally calculated to still be paid even if prepaid). No security interest is required and no person other than you and, if you are an entity, those individuals who are required to sign the form Guaranty and Assumption of Franchisee’s Obligations attached as Attachment B to the Franchise Agreement, must sign the Note.

If we offer and you accept financing from us, and you sign the Note, you will be required to waive and excuse presentment for acceptance and payment, notice of dishonor, and protest of dishonor. Other than as mentioned in the previous sentence, neither the Note, nor any other financing document you sign will contain any waiver of defense or other legal rights, or bar you from asserting a defense against us or our assignee. In the event payment of the Note is not made under its terms, we may either accept a late payment, together with a late charge equal to 10% of the late payment, or declare the entire balance of the Note immediately due. If the balance of the Note is accelerated, we must give written notice to you and, if the balance is not paid within 10 days after notice is given, you must pay us interest at the maximum legal rate (not to exceed 18%) plus any attorneys’ fees and other costs we incur in collecting the monies owed. We also have the right to terminate the Franchise Agreement if we accelerate the Note and the Note is not paid within the 10 days after acceleration. We have not in the past and do not currently intend to sell, assign or discount to any third party the Note or any other financing document you sign. We may require your spouse to sign the Note as well.

We will comply with all appropriate laws governing any direct financing we offer to you including, if applicable, the California Finance Lenders Law.

Other than as described above, we do not offer direct or indirect financing, do not guarantee your loans, lease or other obligations, and do not receive payments or other consideration for the placement of financing. We reserve the right to terminate our financing program at any time, offer different terms or assist franchisees in obtaining financing in the future.

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 Obligations

Before you open your Fencing Business, we (or our designee) will provide the following guidance, coaching and assistance to you.

Designate your Territory (Sections 7.3(b) of the Franchise Agreement and Attachment A to the Franchise Agreement).

Provide you with our specifications for all initial and replacement equipment, tools, supplies, inventory and Required Items for the operation of your Fencing Business (Section 7.3(c) of the Franchise Agreement).

Provide an initial training course for you, or if you are not an individual, your Designated Business Manager and one additional person in Florida, Virginia, or at another location we designate (Section 7.3(d) of the Franchise Agreement).

Loan you one copy of our confidential and proprietary Operations Manual no later than the start of the initial classroom training. The Operations Manual consists of one or more manuals, technical bulletins or other written materials and may be modified by us periodically. The Operations Manual may be in printed or in an electronic format in our discretion. We reserve the right to require you to use an electronic version of the Operations Manual and to require you to access the document using the Internet or an intranet created and supported by us. The Operations Manual currently contains 43 pages plus exhibits. The Table of Contents for the Operations Manual is attached to this disclosure document as Exhibit F (Section 7.3(e) of the Franchise Agreement).

We will provide you with a list of the makes and models of vehicles that we consider suitable for use as ~~van~~strucks dedicated to the Fencing Business; and will provide you with specifications and supplier information to have your initial ~~van~~truck(s) outfitted and decorated with our trade dress (Franchise Agreement, Section 7.3(c)).

Provide you with an initial art graphics package suitable for letterhead and business cards and other start up materials (Section 7.3(f) of the Franchise Agreement).

At our sole discretion, we may provide on-site assistance during the first months of operations of your Fencing Business (Section 7.3(g) of the Franchise Agreement).

Continuing Obligations

During the term of the Franchise Agreement, we (or our designee) will provide the following guidance, coaching and assistance to you:

Inform you of mandatory specifications, standards and procedures for the operations of your Fencing Business (Section 7.4(d) of the Franchise Agreement).

Make a representative reasonably available to speak with you on the telephone during regular business hours to discuss your operational experiences and support needs (Section 7.4(a) of the Franchise Agreement).

Research new Products, Services and methods and provide you with information concerning developments of this research (Section 7.4(e) of the Franchise Agreement).

Maintain the National Branding & Marketing Fund and use these funds to develop promotional and advertising programs for Fencing Businesses (Section 7.4(f) of the Franchise Agreement).

Provide advertising materials to you in the form of an arts graphics package, which is included in your Operations Manual (Section 7.4(g) of the Franchise Agreement).

A representative of ours may, in our sole discretion, provide additional assistance (Section 7.4(i) of the Franchise Agreement).

If we determine that you are unable or unwilling to handle a particular job, we reserve the right to assign that job to another SUPERIOR FENCE & RAIL, INC.® franchisee, complete the job ourselves or hire a third -party ~~specialists~~specialist to assist with the job.

We may choose to provide you with continuing national, regional or local conference calls, meetings or conferences, which we hold in our discretion. You must pay the conference fee, if any, and all travel and living expenses. As of the date of this disclosure document, we strongly recommend but do not require, that you attend these conferences. We reserve the right to make future conference calls, meetings or conferences mandatory. These future training events are held at our Richmond, Virginia headquarters or at a location chosen by us (Section 7.4(b) of the Franchise Agreement).

We may choose to provide mandatory annual conferences. You must pay the conference fees, if any, and all travel and living expenses incurred by you to attend such conferences. The annual conference may be held at our corporate headquarters or at a location chosen by us (Section 7.4(c) of the Franchise Agreement).

We reserve the right, in our discretion, to delegate some or all of our pre-opening and continuing obligations under the Franchise Agreement to a representative with regional responsibility over the geographic area in which you operate your Fencing Business. Except as listed above, we do not provide any additional assistance to you.

We may, but are not required to, provide you with assistance on establishing prices at which you must sell your products and services, subject to applicable law.

Training

Before the opening of your Fencing Business, we provide an initial training program. You must attend and successfully complete the training program to our satisfaction.

Under the Franchise Agreement, before you begin operating your Fencing Business and within 90 days of the mutual execution of your Franchise Agreement, you or, if you are not an individual, a “Designated Business Manager” must attend and successfully complete to our satisfaction our initial training program. You may have additional person(s) attend the initial training program at no additional training fee. If the Designated Business Manager’s employment with you is terminated, you must designate a new Designated Business Manager who must successfully complete our initial training

program within 90 days after the termination of the initial Designated Business Manager, unless we do not hold an initial training program during that 90-day period in which case the replacement Designated Business Manager must attend and successfully complete the first available initial training program held by us. The costs for airfare, ground transportation, lodging, meals, personal expenses, and the Designated Business Manager's salary and benefits must be paid by you.

There is no tuition or fee for the initial training program for you or your Designated Business Manager or additional staff members as we mutually agree. We do not pay any travel expenses, lodging, meals, ground transportation or other personal expenses.

Our training program generally consists of the following topics:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Sales Training	20	20	Florida, Virginia, or another location we designate
Administration and Operations Training	20	20	Florida, Virginia, or another location we designate
Installation Training	20	20	Florida, Virginia, or another location we designate
Total	60	60	Florida, Virginia, or another location we designate

The entire training program is subject to change due to updates in materials, changes or additions to the services offered, introduction of new methods and cleaning techniques, manuals and personnel. The subjects and time periods allocated to the subjects actually taught to specific franchisees may vary, based on the experience of the persons being trained.

Our training is conducted by Kent Taylor, who has 8 years of experience in the field and 8 years of experience with the SUPERIOR FENCE & RAIL, INC.® system. We may change, supplement or substitute training personnel as necessary, and we may delegate our duties and share our responsibilities with regard to training. Any individual involved in training will have at least one year of experience in the subject he/she teaches.

We use the Operations Manual as the sole reference material during our training sessions. New franchisees receive a copy of the Operations Manual and are instructed to carefully review its content.

We may require you or your Designated Business Manager attend all supplemental and refresher training programs that we designate. We may charge you a reasonable fee for any supplemental and refresher training programs. You must pay the then-current fee for such training programs, if any, and all personal travel and living expenses.

Advertising Programs

You must invest a minimum of \$40,000 per calendar year ("**Individual Advertising Investment**") for marketing purposes in your Territory, a minimum of \$60,000 if you are granted two contiguous Territories, and an additional \$20,000 for each additional contiguous Territory. The first calendar year will begin on the Operational Start Date and end on December 31st immediately following

the Operational Start Date. Your Individual Advertising Investment will be prorated during the first calendar year. You must submit monthly reports to us reflecting your advertising expenditures. The Individual Advertising Investment must be used by you for local advertising, to be selected and placed by you, in your Territory. These funds are reserved only for marketing, promotions and advertising of your Fencing Business. You may not advertise outside your Territory without our approval, which may be withheld in our sole discretion. You must submit proof of your Individual Advertising Investment expenditures to us each month and upon our request. You must obtain our prior approval of all of your marketing, promotional and advertising materials. We have the right, but not the obligation, to collect up to the minimum required Individual Advertising Investment from you and administer it on marketing and advertising investments in your Territory on your behalf.

We do not require you to participate in or to contribute to an advertising cooperative. We do not have an advertising council composed of franchisees that advise us on advertising policies.

Under the Franchise Agreement, year you must pay us a National Branding & Marketing Fee equal to 1% of Gross Revenues. You must pay the National Branding & Marketing Fee at the same time that you pay your Monthly Branding Royalty. Unless required by law, we will not be required to deposit the National Branding & Marketing Fee in a separate bank account, commercial account or savings account and we may place the National Branding & Marketing Fee in our general accounts or in separate accounts (“**National Branding & Marketing Fund**”). The National Branding & Marketing Fund will be administered by us, in our discretion, and we may use a professional advertising agency or media buyer to assist us. Your contribution to the National Branding & Marketing Fund will be in addition to all other advertising fees set out in this Item 11.

We may reimburse ourselves, our authorized representatives or our affiliates from the National Branding & Marketing Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the National Branding & Marketing Fund. We assume no other direct or indirect liability or obligation to collect amounts due to the National Branding & Marketing Fund or to maintain, direct or administer the National Branding & Marketing Fund. Any unused funds in any calendar year will be applied to the following year’s funds, and we reserve the right to contribute or loan additional funds to the National Branding & Marketing Fund on any terms we deem reasonable. Since we do not have this fund audited, audited financial statements are not available to Franchisees. We will provide to you, upon request, an annual accounting for the National Branding & Marketing Fund that shows how the National Branding & Marketing Fund proceeds have been spent for the previous year and plans to invest the National Branding & Marketing Fund for the current year.

We may use the National Branding & Marketing Fund for the creation, production and placement of commercial advertising; internet advertising; agency costs and commissions; creation and production of video, audio and written advertisements; administering multi-regional advertising programs, direct mail and other media advertising; in-house staff creative development, assistance and related administrative costs; local promotions; supporting public relations; market research; website development; public relations efforts including affiliations with charitable organizations related to the Fencing Business; and other advertising and marketing activities, including participating at trade shows or industry associations. Advertising may be placed in local, regional or national media of our choice, including print, direct mail, internet, radio or television. We do not guarantee that advertising expenditures from the National Branding & Marketing Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all.

We will not use National Branding & Marketing Fund monies to solicit franchisees in our current fiscal year. Neither our affiliates nor we receive payments for providing goods or services to the National Branding & Marketing Fund, except for reimbursement of expenses as described above.

You are strongly encouraged to order sales and marketing material from our designated supplier(s). It is a material breach of the Franchise Agreement to use other marketing material without prior written approval. If you desire to use your own advertising materials, you must obtain our prior approval. We will review your request and we will respond in writing within 15 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks and other name identification materials must be consistent with our approved standards. You may not use our logos, Marks and other name identification materials on items to be sold or services to be provided without our prior written approval. If we approve of promotional items or services that will be sold in your Fencing Business, those items or services must be included in your gross revenues.

Except as described above, we are not obligated to spend any amount on advertising in the geographical area where you are or will be located.

We retain the sole right to market on the Internet, including all use of websites, domain names, URL's, linking, advertising, and co-branding arrangements. You may not independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique, with words or symbols similar to the Marks. We intend that any Franchisee website be accessed only through our home page. You will provide us content for our Internet marketing. We retain the right to approve any linking or other use of our website.

~~Because we are a new entity~~ During our last fiscal year ending September 30, 2022, we ~~did not spend any~~ spent the following amounts ~~of the~~ from our National Branding & Marketing Fund ~~in the prior fiscal year ended September 30, 2021~~: 31.1% was spent on website development and 67.7% was spent on media placement, and 1.2% was spent on creative development.

Site Development

Your Fencing Business will operate from a facility where the zoning will allow for a 500 square foot office space for your outlet and at least 1,000 square feet of indoor space to store miscellaneous tools and equipment, and certain types of inventory. The site must be within your Territory and meet applicable zoning requirements. We will review information that you provide to us relating to the site of your office location and provide you input on the location. Although we reserve the right to approve or disapprove the location of your business based upon whether it meets out then-current standards and specifications, including the size requirements, you are solely responsible for selecting the site. We will notify you within 30 days of whether we disapprove of the site. Once you have selected your location, we will provide input on how to design and construct or renovate it to operate your Fencing Business. However, you will be solely responsible for its development, construction and renovation. We may terminate the franchise agreement if you do not obtain a site we approve for your Fencing Business within the deadline to open.

Schedule for Opening

If you are purchasing a Franchise, we estimate that the typical length of time between the signing of the Franchise Agreement and the opening of your Fencing Business will be 45 to 180 days. Some factors which may affect this timing are your ability to acquire a storage facility through lease negotiations, your ability to secure any necessary financing, your ability to comply with any applicable

local zoning and other ordinances, your ability to obtain any necessary licenses, permits and certifications, the timing of the delivery of equipment, the time of year you execute a Franchise Agreement in relation to the typical season for the Fencing Business, tools and inventory and the time to convert, renovate or build the storage facility. You must open and commence operations of your Fencing Business within 180 days of signing the Franchise Agreement.

You must comply with all applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. You must apply for any required licenses and permits within 10 business days after signing the Franchise Agreement.

You may not open your Fencing Business until: (1) initial training is completed to our satisfaction; (2) all amounts due to us have been paid; (3) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums that we request; (4) you notify us that all approvals and conditions set forth in the Franchise Agreement have been met; (5) you have received all required permits and licenses or have made arrangements acceptable to us to operate under another existing license; and (6) you have ordered, received and installed your equipment, supplies, inventory and Computer System. You must be prepared to begin operating your Fencing Business immediately after we state that your Fencing Business is ready for opening.

Required Warranty

You must provide to your customers a warranty for the period that we require in the Operations Manual on all Products used and Services provided in your Fencing Business. We may change the required warranty at any time through the Operations Manual. All dealing and transactions with customers and suppliers must be fair and honest.

Software and Computer Equipment

Currently, you must have or purchase a personal computer (“**Hardware**”) which runs on a Windows or Macintosh operating system. Your computer must also have Microsoft Office XP Professional or a more recent version installed and operating and the web-based resource center software (“**Software**”). The Hardware and Software are referred to as the “Computer System.” You must update your Computer System, at your expense, as we may require periodically to meet our specifications as they evolve. There are no contractual limitations on the frequency and cost of your obligations to upgrade or update the Computer System. Upgrades, in some cases, may only be available through our suppliers. We may change the designated suppliers occasionally on written notice to you. Neither we nor any supplier has any obligation under the Franchise Agreement to provide ongoing maintenance, repairs, upgrades or updates to the Computer System. We estimate the cost of optional or required maintenance, updates and upgrades will be \$0 to \$500 per year. In addition, you must pay us a monthly Technology Fee (currently \$250 per month) for access to our designated technology package, which includes a software license for one user. You may purchase additional software licenses for an additional \$125 per user. In addition, you must pay us or our designated third -party supplier all initial software license fees for any software you are required to use in the operation of your Fencing Business. You will be required to sign our Software License Agreement attached as an exhibit to the Franchise Agreement, ~~and pay us an initial software license fee of \$2,500.~~ We may ~~change~~charge the fees described in this paragraph at any time upon 30 days’ written notice.

You will use the Computer System for word processing, communicating via e-mail with us and for tracking customer information. You must have sufficient computer skills to be able to operate your Computer System and to access e-mail and the Internet. You must have access to the Internet and

maintain an email account that allows us to communicate with you on a regular basis. If available in your area, you must have high-speed Internet access. You must check your email account at least once every day. If we determine that you require additional computer training, you must take and pay for, at your own expense, a computer training course at a local computer training school. You must complete this training within 90 days of the day we advise you of this requirement, and you must present us with a certificate acceptable to us to show that you passed the course.

We estimate the cost of purchasing the Computer System will range from \$800 to \$2,000, if you do not already have one that can be used in your Fencing Business. You will also have to pay us an initial software licensing fee of \$2,500 in connection with our designated software (currently, Fence 360).

We have the right to independently access your electronic information and data through our proprietary data management and intranet system, and to collect and use your electronic information and data in any manner we choose to promote the development of the System and the sale of franchises. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system.

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by these communications and computer-related problems.

ITEM 12 TERRITORY

Franchise Agreement

You will be granted a Territory in which to operate the Fencing Business under the Franchise Agreement. Your Territory is based on demographics and other characteristics including population density, home values, average income and other characteristics of the surrounding area, natural boundaries, extent of competition and the amount and size of urban, suburban and rural areas. We will grant only one license to a franchisee for up to 400,000 people in the designated geographical location (“**Population Limit**”). If you are granted a Territory in excess of the Population Limit, then you will need to pay us an Additional Population Fee, which equals \$0.15 per individual in the Territory in excess of 400,000 individuals. We will use the most recent population information available in the U.S. Census Data, or other population statistical sources of our choosing to determine populations. You will maintain rights to your Territory even though the population in your Territory may increase or decrease. We have the exclusive right to determine the boundaries of your Territory in our sole discretion. We reserve the right to change, modify, or delete the Population Limit in our sole discretion. We will use our business judgment to determine whether the Population Limit makes good business sense for us and all of our franchisees. Enforcing the Population Limit may not be practical when considering limitations on geography, housing availability, natural physical boundaries and population and demographic shifts. In the event that utilizing a Population Limit does not make good business sense as determined by us we may delete the Population Limit in our sole discretion.

You may not relocate your Territory or establish additional Fencing Businesses without our prior written consent, which we may withhold in our sole discretion. Such requests are evaluated on a case-by-case basis, including consideration of whether you are currently in compliance with your Franchise Agreement, territory availability, and other fact-specific considerations.

You may be granted, in our sole discretion, express permission to sell or service customers in an unsold territory adjacent to your Territory (“**Adjacent Territory**”). However, you must agree that when

this Adjacent Territory is granted to another franchisee, you will, upon receipt of written notice from us, cease all sales and service efforts within the Adjacent Territory, and return to us, within 10 days of the notice, all customer and prospect information related to the Adjacent Territory assign to us or our designee all customer contracts in the Adjacent Territory; and pay to us any amounts (or a pro rata portion of any amounts) paid by customers within the Adjacent Territory for Services you have not yet performed. For example, if a customer pre-paid for a year of Services and you have performed only half of the contracted work, you must pay us 50% of the amount the customer paid you. You do not have any first claim on any Adjacent Territory. Territories are awarded on a first-come, first-served basis to qualified applicants that meet our requirements to operate a Fencing Business. Other than as described in this paragraph, you may not solicit or accept orders from customers located outside your Territory or use other channels of distribution, including the Internet, catalog sales, telemarketing or other direct marketing.

Customers from your Territory may purchase Services and Products from us and our affiliates or designees over the Internet, or in other reserved channels of distribution without compensation to you. If you advertise or market your Fencing Business outside of your Territory, unless otherwise approved by us, you will be in breach of your Franchise Agreement, and we would have the right to terminate your franchise.

We will not operate locations or grant franchises for a Fencing Business within your Territory unless during each calendar year following your Operational Start Date, you do not attain certain levels of annual gross revenue (“**Minimum Annual Sales Quota**”) as follows by Territory:

Calendar Year	Minimum Annual Sales Quota
Third Calendar Year	\$500,000
Fourth Calendar Year	\$750,000
Fifth Calendar Year through the Balance of the Initial Term and any Interim Period	\$1,000,000

There is no Minimum Annual Sales Quota for the first and second calendar year following the Operational Start Date. The first calendar year will begin on the Operational Start Date and end on December 31st immediately following the Operational Start Date.

If you sign a Successor Franchise Agreement, your Minimum Annual Sales Quota will be the amount described in that Agreement. As of the date of this disclosure document, we anticipate that the Minimum Annual Sales Quota will be the highest Minimum Annual Sales Quota specified in our then-current form of Franchise Agreement for new franchisees. We have the right, however, to vary the Minimum Annual Sales Quota and how it is determined in any Successor Franchise Agreement you may sign.

The failure to achieve these Minimum Annual Sales Quotas is a material breach of the Franchise Agreement. If you fail to meet your Minimum Annual Sales Quota, we have the right to grant additional franchises within the Territory, reduce the size of your Territory or terminate your franchise upon 30 days’ written notice.

We reserve the right to modify your Territory at the time you execute a Successor Franchise Agreement to conform the size of your Territory to our then-current standards for protected territories that are being granted to new franchisees, for example, if there has been an increase or decrease in the population or number of qualified households within your original Territory, or if we use different standards or calculations in determining the size of protected territories. If at the time you intend to sign a

Successor Franchise Agreement your original Territory encompasses more than one protected territory based upon our then-current standards for determining protected territories, we may require you to execute multiple Successor Franchise Agreements if you wish to continue operating within the entire original Territory.

If we determine that you are unable or unwilling to handle a particular job, we reserve the right to assign that job to another SUPERIOR FENCE & RAIL, INC.® franchisee, complete the job ourselves or hire a third ~~party~~ ~~specialists~~ specialist to assist with the job. (See Section 4.4 of the Franchise Agreement)

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Among other rights, we specifically reserve the following rights, which we may exercise without any compensation to you or other franchisees:

1. We reserve the right to own, franchise, or operate Fencing Businesses at any location outside of the Territory, regardless of the proximity to your Fencing Business.

2. We reserve the right to use the Marks and the System to sell any products or services, similar to those, which you will sell, through any alternate channels of distribution within or outside of the Territory. This includes retail locations and other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce. If we use the Marks to sell the Products and Services that you must sell to a customer in your Territory over the Internet, we or our supplier and manufacturers may, in our sole discretion, provide you with a credit in an amount solely determined by us.

3. We reserve the right to use and license the use of other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a Fencing Business, at any location, including within the Territory, which may be the same as, similar to or different from the Fencing Business operated by you.

4. We reserve the right to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Fencing Business, wherever located.

5. We reserve the right to acquire and convert to the System operated by us any businesses offering services similar to the Fencing Business including those businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Territory;

6. We reserve the right to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate these multi-area marketing programs; and

7. We reserve the right to provide services directly or indirectly ~~provide services~~ to National Accounts (as defined below) located inside or outside the Territory as described further below.

We or our affiliates have the right to sell and enter into agreements with National Accounts, both inside and outside the Territory. A “National Account” means those customers or accounts we designate in our sole and absolute discretion, regardless of their geographic location, as desiring central billing

accounts, or that have at least 20 locations, and such locations are located in more than one franchised or company-owned territory or market. You must participate in any national accounts program (the “National Accounts Program”) we designate, and comply with the terms of the National Accounts Program as described in the Operations Manual or as we otherwise describe in writing. You understand that we will establish the rules under which you will participate, and be compensated for participation, in the National Accounts Program and that we may terminate, modify or replace the National Accounts Program at any time. You must pay us any then-current fees associated with the National Accounts Program.

If a National Account contacts you directly, you must refer the National Account to us. We will negotiate all contracts with National Accounts and you will not have any right to negotiate any contract or provide services to the National Account without our express written consent.

You have no right of first refusal or similar rights to acquire additional franchises.

ITEM 13 TRADEMARKS

The Franchise Agreement grants you the nonexclusive right to use the Marks, including the service mark “SUPERIOR FENCE & RAIL,” and various designs and logo types associated with our services and Marks. You may also use other current or future Marks as we may designate to operate your Fencing Business.

Our affiliate, Lynx IP, owns the following service mark registered on the Principal Register with the United States Patent and Trademark Office (“USPTO”) and it intends to file all required affidavits and renewals:

Mark	Registration/Application Date	Registration No.
Superior Fence & Rail, Inc.	November 9, 2010	3873318

Lynx IP has granted us the perpetual right to use and sublicense others to use the principal Marks, as well as other Marks under a trademark license agreement with an effective date of December 15, 2021. Lynx IP may terminate the trademark agreement if any misuse of these Marks materially impairs the goodwill associated with these Marks, if we violate any provision of the license agreement or we do not comply with Lynx IP’s instruction concerning the quality of these Marks. If the trademark agreement is terminated, any then-existing sublicenses (franchises) will continue for the term of the sublicenses, provided that the sublicensees (franchisees) comply with all other terms of their franchise agreements. The trademark license agreement contains no other limitations.

We may also use a number of unregistered, common law trademarks. You must follow our rules when you use our Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate or business name or in any form on the Internet, including but not limited to URLs, domain names, e-mail addresses, locators, links, metatags or search techniques. You must get our prior written approval of your company name before you file any registration documents. You must indicate, as required in the Franchise Agreement and specified in the Operations Manual, that you are an independent operator. Guidelines regarding proper trademark use and notices are in the Operations Manual and will be updated periodically in our discretion. You may not use the Marks with an unauthorized product or service, or in a manner not authorized in writing by us.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings or any pending material litigation involving any of the Marks which are relevant to the use of these Marks. No currently effective litigation affects our or Lynx IP's use or ownership rights in any Mark. Other than as described above, no currently effective agreement limits our or Lynx IP's right to use or license the use of the Marks.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Marks. We and/or Lynx IP may take whatever action we deem necessary to protect the unauthorized use of the Marks and you must cooperate with us and/or Lynx IP. We have the right to control any administrative proceedings or litigation involving the Marks. If we and/or Lynx IP require you to join in any action, we will pay for your out-of-pocket expenses. We and/or Lynx IP are not required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorably to you.

You must modify or discontinue the use of a Mark if we modify or discontinue the Mark. If this happens, we will reimburse you for your tangible out of pocket cost of compliance (for example, changing letterhead and business cards). You must not directly or indirectly contest our rights to the Marks, or any other trademarks, trade names, service marks, logos, trade secrets or business techniques that are part of our business.

We do not know of any infringing uses that could materially affect your use of the Marks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The information contained in the Operations Manual is proprietary and is protected by copyright and other laws. The Operations Manual and the limitations of the use of it by you and your employees are described in Sections 7, 8 and 10 of the Franchise Agreement. The designs contained in the Marks, the layout of our advertising materials, the content and format of any other writings or copyright and other laws also protect recordings in print or electronic form. Although we have not filed an application for copyright registration for the Operations Manual, the advertising materials, the content and format of any other writings and recordings, we and our affiliates claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information ("**Copyright Works**") in connection with your operation of your Fencing Business, but these copyrights remain our or our affiliates' sole property.

There are currently no effective determinations of the United States Copyright Office or any court regarding any of our or our affiliates' Copyrighted Works, nor are any proceedings pending, nor are there any currently effective agreements between us or our affiliates, and third parties, or infringing uses pertaining to the Copyrighted Works that will or may significantly limit your use of our or our affiliates' Copyrighted Works.

Our Operations Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of and experience in the development, operation and franchising of Fencing Businesses, formulations for and packaging of Products and Services sold at Fencing Businesses, information concerning Product and Service sales, operating results, financial performance and other financial data of Fencing Businesses and other related materials are proprietary and confidential ("**Confidential Information**") and are considered to be our property to be used by you

only as described in the Franchise Agreement or the Operations Manual. Where appropriate, certain information has also been identified as trade secrets (“**Trade Secrets**”). The formulae for the products that we manufacture or have manufactured and carry the SUPERIOR FENCE & RAIL, INC.® name constitute Trade Secrets. We will not disclose these formulae to you; we disclose them only to manufactures, suppliers and others with a need to know, and then only on receipt of a signed confidentiality agreement. You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Trade Secrets and Confidential Information.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for the development of your Fencing Business during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners, if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement that we can enforce. Nothing contained in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other Fencing Business during the term of the Franchise Agreement.

You must notify us within 3 days after you learn about another’s use of language, a visual image, or a recording of any kind, that you perceive to be identical or substantially similar to one of our Copyright Works or use of our Confidential Information or Trade Secrets or if someone challenges your use of our Copyright Works, Confidential Information or Trade Secrets. We or our affiliates will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyright Works, Confidential Information or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of or challenge to your use of any Copyright Works, Confidential Information or Trade Secrets or claim by any person of any rights in any Copyright Works, Confidential Information or Trade Secrets. You must not directly or indirectly contest our rights to any of our Copyright Works, Confidential Information or Trade Secrets. You may not communicate with anyone except us and our counsel with respect to any infringement, challenge or claim. We will have discretion to take action as we deem appropriate regarding any infringement, challenge or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge or claim under any Copyright Works, Confidential Information or Trade Secrets. You must sign any and all instruments and documents, give the assistance, and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding or to protect and maintain our interests in the Copyright Works, Confidential Information or Trade Secrets. If we require you to modify or discontinue any Copyright Works, Confidential Information or Trade Secrets, you must do so at your own expense.

No patents are material to us at this time and we do not have any pending patent applications that are material to the franchise.

We have the right to inspect, copy and use all records with respect to the customers, suppliers, and other services providers of, and related in any way to, your Fencing Business. This includes, without limitation, all databases (whether in print, electronic, or other form), including all names, addresses, phone numbers, e-mail addresses, and customer purchase records. We may use or transfer the records in any way we wish, both before and after any termination, expiration, repurchase, transfer or otherwise. We may contact any or all of your customers, suppliers, and other service providers for quality control, market research, and other purposes, as we deem appropriate, in our sole discretion.

You must disclose to us all ideas, techniques and products concerning the development and operation of the Fencing Business you or your employees conceive or develop during the term of the Franchise Agreement. You must grant to us and agree to obtain from your owners or employees a perpetual, non-exclusive and worldwide right to use these ideas, techniques and products concerning the development and operation of Fencing Business that you or your employees conceive or develop during the term of the Franchise Agreement in all related product and service businesses that you operate. We will have no obligation to make any lump sum or on-going payments to you with respect to any idea, concept, method, technique or product. You must agree that you will not use, nor will you allow any other person or entity to use any of these ideas, techniques or products without obtaining our prior written approval.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must directly supervise the Fencing Business at your franchised location. The direct, on-site supervision must be done by a Designated Business Manager, which could be one of your employees. The Designated Business Manager is not required to own a beneficial interest in the business entity.

If we believe you lack sufficient business experience, you must designate a Designated Business Manager to act as the operating manager for your Fencing Business. We must approve the selection of the Designated Business Manager before signing the Franchise Agreement. The Designated Business Manager must attend and successfully complete the initial training program, and must abide by the obligations in the Franchise Agreement and the Operating Manual. The Designated Business Manager must agree to the same confidentiality and non-competition obligations that you are required to abide by (see Attachment A to the Franchise Agreement).

Each individual who owns, directly or indirectly, a 5% or greater interest in you (and, if you sign the Franchise Agreement as an individual, your immediate family defined as your spouse and domestic partner) must sign the Guaranty and Assumption of Franchisee's Obligations assuming and agreeing to discharge all of your obligations and comply with all restrictions under the Franchise Agreement (See Attachment B to the Franchise Agreement).

We, as a matter of policy, will not assist you in any decision-making process that may affect the operations of your Fencing Business. The success or failure of the franchise as a business enterprise is dependent on your efforts. The licensing of this franchise should not be considered by anyone who is unfamiliar with standard business practices or is unwilling to accept the responsibilities associated with running a small business.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must refrain from using or permitting the use of your Fencing Business for any other purpose or activity except as defined herein at any time without first obtaining our written consent.

You must sell or offer for sale only those Services and Products which are authorized by us and which meet our standards and specifications. You may sell or offer for sale those Services and Products to any customer in the Territory. You may not use other brands of products that we have not approved in writing.

You must follow our policies, procedures, methods, and techniques. We may change or add to our required Services and Products at our discretion with prior notice to you. You must discontinue selling and offering for sale any Services or Products, which we may, in our discretion, disapprove in writing at any time. We impose these requirements to control the quality of the Services and Products that you and other franchisees may offer through the use of our trade name and Marks.

We may grant you permission, in our sole discretion, to sell or service customers in an adjacent, unsold territory. However, when the adjacent territory is sold to another franchisee, you must cease all sales and service activities in that adjacent territory.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement or Other Agreement	Summary
a. Length of the Franchise Term	Section 3 of Franchise Agreement	Franchise Agreement: 7 years.
b. Renewal or extension of the term	Section 3 of Franchise Agreement	If you wish to do so, and you satisfy all of the pre-conditions to obtaining a Successor Franchise, we will offer you the right to obtain an additional term of for a period of time equal to our then-current initial term (but no less than 5 years).
c. Requirements for franchisee to renew or extend	Section 3 of Franchise Agreement	Renewal means obtaining the right to operate the Business for another term. Requirements to renew include: sign our then-current successor franchise agreement (“ Successor Franchise Agreement ”) for the Successor Term, and this new Franchise Agreement may have materially different terms and conditions (including, <i>e.g.</i> higher royalty and advertising contributions) from the Franchise Agreement that covered your original term, be current in all payments, not have committed 2 breaches in the 24 months before the end of the term, sign release, pay renewal fee, meet our qualifications for new and renewing franchisees, provide notice, upgrade the computer system and vehicle, and provide proof of current licenses, insurance and permit.
d. Termination by franchisee	Not applicable	Not applicable. Franchisees may terminate the Franchise Agreement under any grounds permitted by law.
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Section 17 of Franchise Agreement	We can terminate upon certain violations of the Franchise Agreement by you
g. “Cause” defined – curable defaults	Section 17 of Franchise Agreement	Franchise Agreement: You have 30 days to cure defaults including: failure to comply with operating procedures and standards; failure to obtain our prior written consent; failure to comply with the Operations Manual; default under the lease for the storage facility or other premise;

Provision	Section in Franchise Agreement or Other Agreement	Summary
		failure to submit reports; failure to accurately report Gross Revenues; or failure to meet Minimum Annual Sales Quota. You have 10 days to cure a failure to comply with any other provision of the Franchise Agreement or any specification, standard or operating procedure prescribed by us (or 30 days for the first non compliance noncompliance or breach).
h. "Cause" defined – non-curable defaults	Section 17 of Franchise Agreement	Franchise Agreement: Non-curable defaults include: disclosure of confidential information; abandonment; insolvency; bankruptcy; material judgment against you; you or your operators are convicted of a felony, a crime of moral turpitude or any crime that will affect the System or Marks; failure to pay amounts due; failure to use the Marks correctly; 3 notices of default within a 12-month period; unauthorized transfer; 2 or more times during the term, you underreport Gross Revenue by 3% or more; failure to submit reports or other information 2 or more times during the term; offer for sale any unauthorized product or service; contests the validity of our Marks; liquidation; failure to complete training; 4 or more notices of default during the term; misrepresentation; or failure to obtain and maintain all required permits and licenses.
i. Franchisee's obligations on termination/non-renewal	Sections 10, 12, 14 & 17 of Franchise Agreement	Franchise Agreement: Obligations include complete de-identification, payment of amounts due and return of Operations Manual, all Confidential Information, trade secrets and records, assignment of customer contracts, payment of any customer prepayment, and compliance with post-termination noncompetition provision.
j. Assignment of contract by franchisor	Section 15.1 of Franchise Agreement	No restriction on our right to assign
k. "Transfer" by franchisee – defined	Section 15 of Franchise Agreement	Franchise Agreement: Includes transfer of contract or assets or ownership change
l. Franchisor approval of transfer by franchisee	Section 15 of Franchise Agreement	We have the right to approve all transfers
m. Conditions for franchisor approval of transfer	Section 15 of Franchise Agreement	Franchise Agreement: New franchisee qualifies, Transfer Fee paid, purchase agreement approved, training arranged, release signed by you and current agreement signed by new franchisee.
n. Franchisor's right of first refusal to acquire your business	Section 16 of Franchise Agreement	We can match any offer for your business
o. Franchisor's option to purchase franchisee's business	Section 16 of Franchise Agreement	We may, but are not required to, purchase your inventory and equipment at fair market value if your franchise is terminated for any reason
p. Death or disability of franchisee	Section 15.9 of Franchise Agreement	Your estate or legal representative must apply to us for the right to transfer to the next of kin within one hundred twenty days
q. Non-competition covenants during the term of the	Section 14 of Franchise Agreement	No involvement in competitive business

Provision	Section in Franchise Agreement or Other Agreement	Summary
franchise		
r. Non-competition covenants after the franchise is terminated or expires	Sections 14, 17 of Franchise Agreement	Franchise Agreement: No competitive business for 2 years (i) in the Territory or any other Franchisee's Territory; (ii) 10 miles of the Territory or any other Franchisee's Territory or (iii) 10 miles of any of our or our affiliate owned Fencing Business.
s. Modification of the agreement	Sections 2.3, 7.3 & 20.11 of Franchise Agreement	Franchise Agreement: No modifications of Franchise Agreement during term generally, but Operating Manual subject to change. Modifications permitted on renewal.
t. Integration/merger clause	Section 20.5 of Franchise Agreement	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document, franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 19 of Franchise Agreement	Except for certain claims, all disputes must first be submitted to non-binding mediation, and if unsuccessful, then arbitrated in Virginia, subject to state law
v. Choice of forum	Sections 19.1 & 20.1	Mediation and arbitration must be in Virginia, subject to state law
w. Choice of law	Sections 19.1 & 20.1 of Franchise Agreement	Virginia law applies, subject to state law.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its licensed, 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.

Written substantiation of the data used in preparing the financial performance representations included in this ITEM 19 will be made available to you upon reasonable request.

For purposes of this Item 19, the term "Gross Revenue" means the total of all receipts derived from all sales of products and services in connection with each franchisee's Superior Fence and Rail business, including, without limitation, labor, insurance claims for lost profits to the extent a claim is paid by the insurer, and all other products and services sold or performed by or for its franchised business or by means of the business conducted under its Franchise Agreement, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons, services, property or other means of exchange. Gross Revenues do not include: (i) the amount of any tax imposed by any federal, state, municipal or other governmental authority; and (ii) all customer refunds, valid discounts and coupons, and credits made by the franchisee.

The following tables below present financial information from ~~25~~30 different franchise outlets that operated during the reporting periods ending ~~December 31, 2021~~September 30, 2022, 2021, 2020, ~~2019~~ and ~~2018~~2019. ~~All Franchise outlets operate under one franchise agreement with each franchise outlet's territory ranging in total population size of between 4,578,471 and 567,494.~~ Excluded from this entire Item 19 are 5 licensees that are not required to provide, nor do we collect, the type of information reflected in this Item 19.

Franchise Outlet	Year Began Operating	Total Population
Franchise Outlet 1	2018	Approximately 1,221,623 Total Population.
Franchise Outlet 2	2019	Approximately 1,929,116 Total Population.
Franchise Outlet 3	2019	Approximately 2,004,154 Total Population.
Franchise Outlet 4	2018	Approximately 1,519,100 Total Population.
Franchise Outlet 5	2019	Approximately 728,571 Total Population.
Franchise Outlet 6	2018	Approximately 992,648 Total Population.
Franchise Outlet 7	2019	Approximately 3,022,140 Total Population.
Franchise Outlet 8	2019	Approximately 2,136,850 Total Population.
Franchise Outlet 9	2020	Approximately 799,160 Total Population.
Franchise Outlet 10	2021	Approximately 4,578,471 Total Population.
Franchise Outlet 11	2021	Approximately 1,367,012 Total Population.
Franchise Outlet 12	2021	Approximately 3,699,861 Total Population.
Franchise Outlet 13	2020	Approximately 567,494 Total Population.
Franchise Outlet 14	2020	Approximately 756,703 Total Population.
Franchise Outlet 15	2021	Approximately 987,966 Total Population.
Franchise Outlet 16	2021	Approximately 971,195 Total Population.
Franchise Outlet 17	2021	Approximately 702,383 Total Population.
Franchise Outlet 18	2021	Approximately 1,122,932 Total Population.
Franchise Outlet 19	2021	Approximately 1,000,390 Total Population.
Franchise Outlet 20	2020	Approximately 1,000,393 Total Population.
Franchise Outlet 21	2021	Approximately 953,167 Total Population.
Franchise Outlet 22	2021	Approximately 694,231 Total Population.
Franchise Outlet 23	2021	Approximately 1,978,851 Total Population.
Franchise Outlet 24	2021	Approximately 1,099,644 Total Population.
Franchise Outlet 25	2021	Approximately 825,374 Total Population.

A. Gross Revenues for Superior Fence and Rail Businesses for the Full 12 Months Ending ~~December 31, 2021~~September 30, 2022

The following table presents Gross Revenue (as defined below) information realized by certain Superior Fence and Rail franchisees during the period between ~~January 1, 2021~~October 1, 2021 and ~~December 31, 2021~~September 30, 2022 ("Reporting Period"). The information provided in the table below was compiled from ~~13~~30 Superior Fence and Rail franchisees that were operational during the Reporting

Period. [2 of the 30 franchisees included in the table below operated more than one franchise territory but reported Gross Revenue as one location.](#) The data excludes ~~13~~[15](#) franchisees that commenced operations during the Reporting Period. No franchisees ceased operations during the Reporting Period.

Franchisee	Gross Revenues
Outlet 8	\$ 6,979,719
Outlet 7	5,950,110
Outlet 1	5,660,955
Outlet 4	3,892,969
Outlet 11	3,514,271
Outlet 3	2,324,959
Outlet 6	2,129,128
Outlet 2	1,815,387
Outlet 13	1,767,146
Outlet 9	1,299,393
Outlet 5	1,180,733
Outlet 14	1,157,415
Outlet 20	719,350
Average Gross Revenues	\$ 2,953,195
# above average (and %)	5 (39%)
Median Gross Revenues	\$ 2,129,128

	Number of Franchisees	Minimum	Maximum	Average	Median	# of Franchisees above average (and %)
Top half	7	\$ 2,129,128	\$ 6,979,719	\$ 4,297,970	\$ 3,892,969	3 (43%)
Bottom half	6	719,350	1,815,387	1,323,237	1,240,063	2 (33%)
	13			2,925,016	2,129,128	5 (39%)

	Number of Franchisees	Minimum	Maximum	Average	Median	# of Franchisees above average (and %)
Top Third	10	\$ 2,937,702	\$ 9,460,550	\$ 5,149,915	\$ 5,010,926	5 (50%)
Middle Third	10	1,642,500	2,864,470	2,106,759	2,005,301	4 (40%)
Bottom Third	10	508,988	1,618,324	1,182,818	1,114,876	5 (50%)
Total	30			\$ 2,813,164	\$ 2,005,301	11 (37%)

“Median Gross Revenues” means the data point that is in the center of all Gross Revenues included in the calculation. That number is found by examining the total number of data points and finding the middle number in that set.

The information provided in the tables above also excludes the results of two company owned operations that operated in North Florida and Oviedo Florida and generated \$~~12,044,414~~13,829,113 and \$~~6,265,507~~5,906,882 of Gross Revenues during the Reporting Period respectively.

Company Owned Operation	Gross Revenues
North Florida	\$12,044,414 <u>13,829,113</u>
Oviedo Florida	\$6,265,507 <u>5,906,882</u>

B. ~~Gross Revenues for Superior Fence and Rail Businesses Operating Between for at Least 3 Month but Less than 12 Months Ending December 31, 2021~~

The information provided in the table below was compiled from 10 new Superior Fence and Rail franchisees that were operational for at least three months but less than the full twelve months of the Reporting Period. It excludes the data from the 13 franchisees that were operational for the entire Reporting Period presented in the tables above and franchisees that operated less than three months during the Reporting Period.

Franchisee	Gross Revenue
Outlet 12	\$ 2,179,645
Outlet 23	1,624,005
Outlet 19	1,162,872
Outlet 15	1,148,294
Outlet 22	1,097,912
Outlet 18	699,675
Outlet 24	690,850
Outlet 17	501,404
Outlet 16	265,450
Outlet 25	131,053
Average Gross Revenues	\$ 950,116
# above average (and %)	5 (50%)
Median Gross Revenues	\$ 898,794

C. Gross Revenues of certain Superior Fence and Rail Businesses for the Full 12 Months ending ~~December 31~~September 30, 2022, 2021, 2020, and 2019

The following table presents information for Superior Fence and Rail franchisees that conducted their first full ~~calendar~~fiscal year of operations in 2019, 2020 ~~or~~, 2021 or 2022. As of ~~December 31, 2021~~, there were 3 franchisees that opened in 2018 and conducted their first full calendar year of operations in 2019, there were 6 franchisees that opened in 2019 and conducted their first full calendar year of operations in 2020 and September 30, 2022, there were 3 franchisees that conducted their first full fiscal year of operations ending September 30, 2019, there were 45 franchisees that opened in 2020 and conducted their first full ~~calendar~~fiscal year of operations in 2021. ~~The below table excludes 13~~ending September 30, 2020, there were 3 franchisees that had not conducted at their first full fiscal year of operations ending September 30, 2021, and there were 19 franchisees that conducted their first full fiscal year of operations ending September 30, 2022. The below table excludes 15 franchisees that had not conducted a full year of operations as of ~~December 31~~September 30, 20212022.

Franchise Outlet	First Full Year of Operations	First Full Year	Second Full Year	Third Full Year
Outlet 1	2019	\$ 2,351,533	\$ 3,806,125	\$ 5,660,955
Outlet 4	2019	1,946,801	1,888,901	3,892,969
Outlet 6	2019	1,362,265	890,230	2,129,128
Outlet 8	2020	3,254,892	6,979,719	
Outlet 7	2020	2,886,124	5,583,787	
Outlet 3	2020	1,293,180	2,324,959	
Outlet 2	2020	1,153,990	1,815,387	
Outlet 5	2020	517,971	1,180,733	
Outlet 20	2020	646,746	719,350	
Outlet 11	2021	3,514,271		
Outlet 13	2021	1,767,146		
Outlet 9	2021	1,299,393		
Outlet 14	2021	1,157,415		
Average Gross Revenue		\$ 1,780,902	\$ 2,798,799	\$ 3,894,351
# above average (and %)		5 (39%)	3 (33%)	1 (33%)
Median Gross Revenue		\$ 1,362,265	\$ 1,888,901	\$ 3,892,969

Reporting Franchisees (Fiscal Year Basis)	Number of Reporting Franchisees	2022 Average Gross Sales	2022 Median Gross Sales	# above average (and %)	2021 Average Gross Sales	2021 Median Gross Sales	# above average (and %)	2020 Average Gross Sales	2020 Median Gross Sales	# above average (and %)	2019 Average Gross Sales	2019 Median Gross Sales	# above average (and %)
2019 New Franchisees	3	\$ 4,642,197	\$ 4,585,456	1 (33%)	\$ 3,503,916	\$ 3,507,219	2 (66%)	\$ 2,152,964	\$ 1,869,287	1 (33%)	\$ 1,574,993	\$ 1,731,707	2 (66%)
2020 New Franchisees	5	\$ 4,481,486	\$ 3,378,586	2 (40%)	\$ 3,326,212	\$ 2,122,218	2 (40%)	\$ 1,406,697	\$ 987,303	2 (40%)	N/A	N/A	N/A
2021 New Franchisees	3	\$ 1,524,262	\$ 1,618,324	2 (66%)	\$ 924,351	\$ 1,026,124	2 (66%)	N/A	N/A	N/A	N/A	N/A	N/A
2022 New Franchisees	19	\$ 2,288,848	\$ 1,950,226	6 (32%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The Gross Revenue figures presented above represent the total dollar value of customer installation contracts sold during the respective calendar year by the Superior Fence franchisees identified above. The financial performance representations above do not reflect the costs of sales, royalties or operating expenses that must be deducted from the Gross Revenue figures to obtain a net income or owner's profit number. The best source of cost and expense data may be from current or former franchisees as listed in this disclosure document.

D. Gross Profit Margin, Cost of Materials and Cost of Labor as a Percentage of Revenue for Superior Fence Franchisees for the 12 Months Ending December 31, 2021

The information provided below was compiled from 13 Superior Fence and Rail franchisees that were operational for all of the 2021 calendar year (the "Reporting Period") and reported to us an annual Profit and Loss statement ("P&L"). ~~They are the same 13 Superior Fence and Rail franchisees included in~~

~~Part A above.~~ The data excludes 13 franchise territories that commenced operations during the Reporting Period.

Gross Profit Margin measures profitability after material, installation labor and other direct installation costs are subtracted from Gross Revenues (as defined above). The Cost of Materials as a percentage of gross revenue is calculated by taking Cost of Materials divided by the total Gross Revenues. Cost of Materials includes all products utilized in the installation of a fence installation including, without limitation, posts, concrete, hardware fasteners and fence panel fabrications made of wood, vinyl, aluminum, steel or chain-link and other accessories. The Cost of labor as a percentage of Gross Revenue is calculated by taking "Cost of Labor" divided by total Gross Revenues. Cost of Labor includes direct payroll and payroll taxes for employee Fence installers. In addition, some franchisees hire subcontracted labor for fence installations and those costs are included in Cost of Labor. The Cost of Labor does not include benefits or unemployment insurance.

GROSS PROFIT MARGIN AND COST OF LABOR AND MATERIALS AS A PERCENTAGE OF REVENUE						
	Number	Minimum	Maximum	Median	Average	# and (%) above average
Gross Margin	13	16.6%	49.8%	36.6%	34.5%	9 (69%)
Cost of Materials	13	34.9%	56.0%	46.8%	46.7%	6 (46%)
Cost of Labor	13	12.1%	28.1%	17.0%	18.8%	9 (69%)

GROSS PROFIT MARGIN AND COST OF LABOR AND MATERIALS AS A PERCENTAGE OF REVENUE						
	Number	Minimum	Maximum	Median	Average	# and (%) above average
Gross Margin	13	20.7%	50.8%	40.8%	38.7%	8 (62%)
Cost of Materials	13	33.6%	52.3%	42.7%	43.9%	7 (54%)
Cost of Labor	13	10.8%	27.0%	15.9%	17.4%	8 (62%)

The data above also excluded results from the two company owned stores including North Florida that reported Gross Profit Margin, Material Costs and Labor Costs of ~~37.8%~~41.9%, ~~46.0%~~43.7% and ~~16.2%~~14.4% respectively. Oviedo Florida reported Gross Profit Margin, Material Costs and Labor Costs of ~~50.8%~~57.0%, ~~36.0%~~32.3% and ~~13.2%~~10.7% respectively.

Company Owned Operation	Gross Margin	Cost of Materials	Cost of Labor
North Florida	37.8% <u>41.9%</u>	46.0% <u>43.7%</u>	16.2% <u>14.4%</u>
Oviedo Florida	50.8% <u>57.0%</u>	36.0% <u>32.3%</u>	13.2% <u>10.7%</u>

The financial information utilized above was based entirely upon information reported by the 13 Superior Fence and Rail Reporting Franchisees who provided P&L data, and none of this information has been audited or otherwise reviewed or investigated by us or by any independent accountant or auditing firm, and no one has audited, reviewed or otherwise evaluated this information for accuracy or expressed his/her opinion with regard to its content or form.

E. Average Sale per Project, Annual Number of Jobs and Customer Leads during 12 Months Ending ~~December 31, 2021~~ September 30, 2022

The information provided below was compiled from ~~1330~~ Superior Fence and Rail franchisees that were operational for ~~all of the 2021 calendar~~ full fiscal year ending September 30, 2022 (the “Reporting Period”) and reported to us an annual Profit and Loss statement (“P&L”) and Job and Lead data maintained in our proprietary customer relationship management (“CRM”) software used by Superior Fence and Rail franchisees to operate their franchise. They are the same ~~1330~~ Superior Fence and Rail franchisees included in Part A above. The data excludes ~~1315~~ franchise territories that commenced operations during the Reporting Period.

“Average Sale” per project is calculated by dividing the total Gross Revenue (as defined above) by the number of Jobs installed during the Reporting Period. The number of Jobs installed, and the number of Leads received were recorded in the CRM during the Reporting Period. For purposes of this Item 19, a “Job” is a fence or rail installation project that was completed and generated Gross Revenue during the Reporting Period, and a “Lead” reflects any customer inquiry for a fence installation project. Leads can be recorded by phone calls, website or social media inquiries, or customer referrals.

	Minimum	Maximum	Median	Average	# and (%) above average
Average Sale	\$ 4,558.81	\$ 8,666.87	\$ 5,569.37	\$ 5,881.97	5 (38%)
Jobs	83	1,095	361	508	5 (38%)
Leads	1,118	7,677	2,387	3,407	5 (38%)

	Minimum	Maximum	Median	Average	# and (%) above average
Average Sale	\$ 4,413.50	\$ 10,547.49	\$ 6,931.98	\$ 7,103.23	11 (37%)
Jobs	98	1,165	317	392	12 (40%)
Leads	1,100	8,064	2,614	2,997	13 (43%)

The data above also excluded results from the two company owned stores including North Florida that reported Average Sale, Jobs and Leads of ~~\$6,154,531~~, ~~1,957~~8,106.16, 1,706 and ~~14,957~~12,687 respectively. Oviedo Florida reported Average Sale, Jobs and Leads of ~~\$9,624,439~~, 9,763.44, ~~651~~605 and ~~10,106~~9,215 respectively.

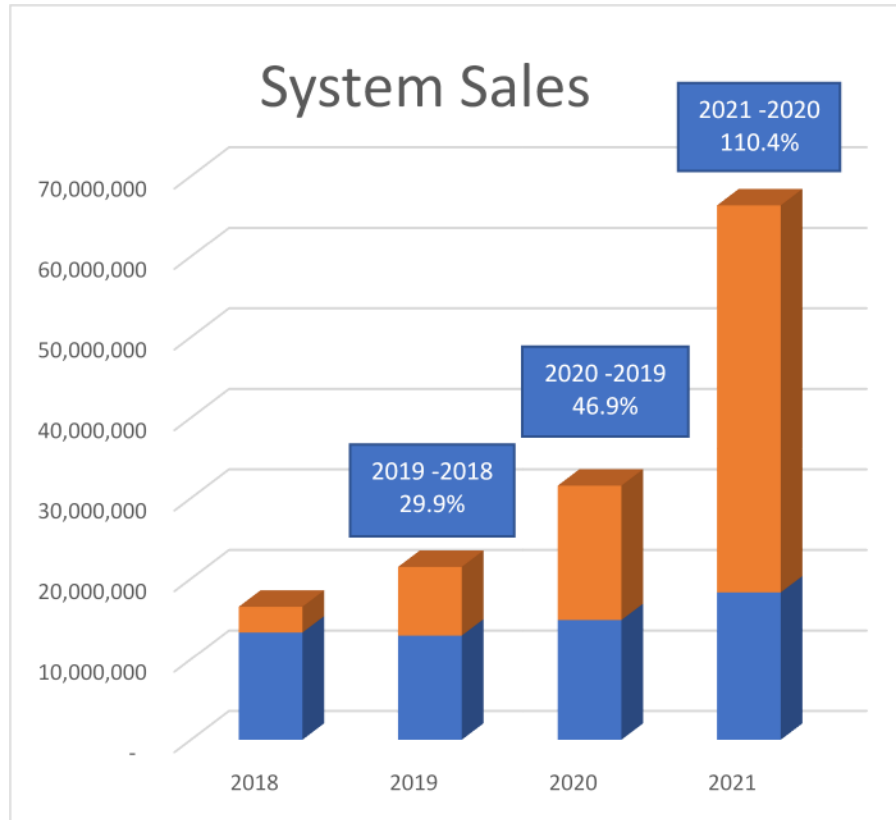
Company Owned Operation	Average Sale	Jobs	Leads
North Florida	\$6,154,531 <u>8,106.16</u>	1,957 <u>1,706</u>	14,957 <u>12,687</u>
Oviedo Florida	\$9,624,439 <u>9,763.44</u>	651 <u>605</u>	10,106 <u>9,215</u>

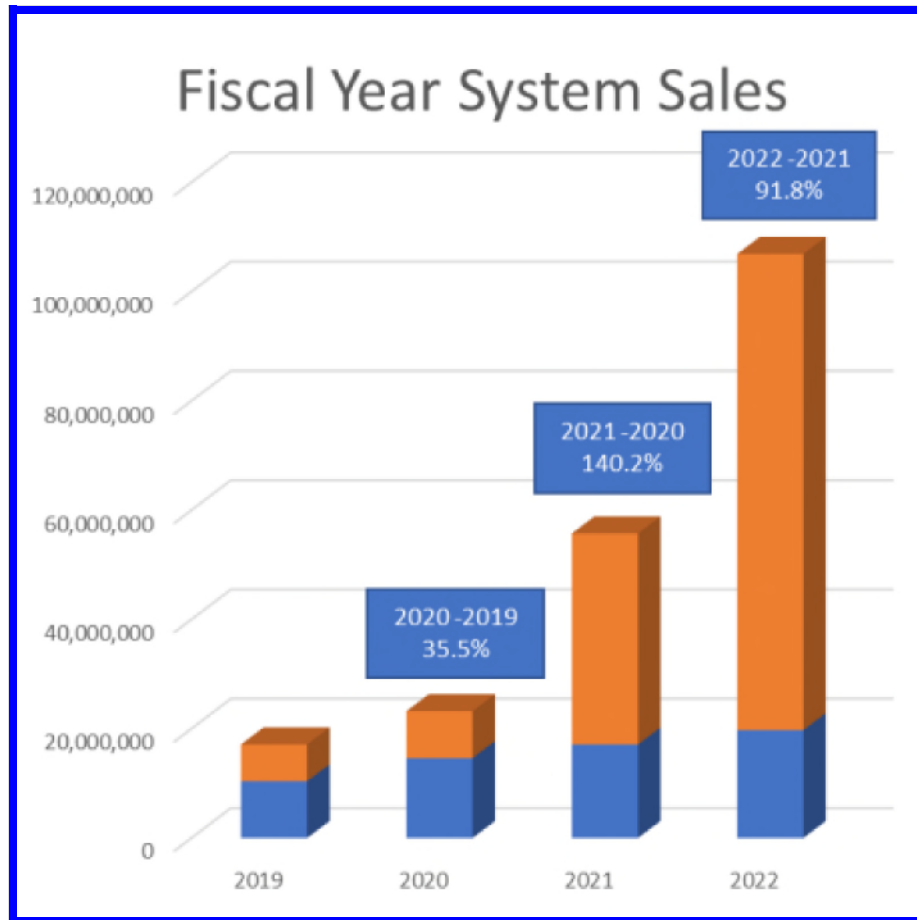
F. Superior Fence and Rail Franchise System Sales for Fiscal Years ending December 31, 2018, Ending September 30, 2019, 2020, 2021 and 2022

The information provided in the table below is based on the aggregate Gross Revenues ("System Sales") reported to us from all Superior Fence and Rail franchisees whose Superior Fence and Rail businesses were operational for any part, even as little as one month if the franchisee completed initial training in ~~December~~September of their initial year of operations, of each fiscal year ended ~~December 31, 2018, December 31~~September 30, 2019, ~~December 31~~September 30, 2020 ~~and December 31,~~ September 30, 2021, and September 30, 2022.

Superior System Sales from 20182019 – 20212022 Fiscal Years Ending December 31September 30

Year	System Gross Revenues	Franchise Gross Revenues	Company Owned Gross Revenues	Number of Franchisees as of Calendar <u>Fiscal</u> Year end
2018	\$16,528,506	\$3,193,802	\$13,334,704	3
2019	\$21,471,345 <u>17,127,733</u>	\$8,514,098 <u>6,750,348</u>	\$12,957,247 <u>10,377,384</u>	9 <u>10</u>
2020	\$31,546,603 <u>23,206,187</u>	\$16,660,060 <u>8,569,348</u>	\$14,886,543 <u>14,636,839</u>	12 <u>15</u>
2021	\$66,376,104 <u>55,734,099</u>	\$48,066,183 <u>38,628,524</u>	\$18,309,921 <u>17,105,575</u>	26 <u>31</u>
2022	<u>\$106,883,321</u>	<u>\$87,147,327</u>	<u>\$19,735,995</u>	<u>76</u>





*Orange means franchisees' gross revenue and blue means revenue from company-owned outlets.

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

The information presented above relates to the actual historical performance of the franchisees. The financial information our predecessor utilized in preparing the preceding financial performance representations was based entirely upon information reported to it or Outdoor Living Brands by the franchisees. None of this information was audited or otherwise reviewed or investigated by us, Lynx Franchising or by any independent accountant or auditing firm, and no one has audited, reviewed, or otherwise evaluated this information for accuracy or expressed his/her opinion with regard to its content or form.

We will, upon reasonable request, provide to you written substantiation for the information provided in this Item 19.

Other than the preceding financial performance representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Scott Zide, Superior Fence and Rail Franchisor, LLC, 2426 Old Brick Road, Glen Allen,

Virginia 23060, (804) 353-6999, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
SYSTEMWIDE OUTLET SUMMARY
FOR FISCAL YEARS ~~2019~~2020 TO ~~2021~~2022**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	8	13	+5
	2020	13	16	+3
	2021	16	29	+13
	<u>2022</u>	<u>29</u>	<u>74</u>	<u>+45</u>
Company-Owned(1)	2019	2	2	0
	2020	2	2	0
	2021	2	2	0
	<u>2022</u>	<u>2</u>	<u>2</u>	<u>0</u>
Total Outlets	2019	10	16	+6
	2020	16	19	+3
	2021	19	35	+13 <u>+16</u>
	<u>2022</u>	<u>35</u>	<u>76</u>	<u>+41</u>

*Franchised outlets include outlets operating under a license agreement with us that is different from the franchise agreement attached as Exhibit A to this disclosure document.

**Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR FISCAL YEARS ~~2019~~2020 TO ~~2021~~2022**

State	Year	Number of Transfers
Texas	2019	0
	2020	0
	2021	1
	<u>2022</u>	<u>0</u>
Total	2019	0
	2020	0
	2021	1
	<u>2022</u>	<u>0</u>

**Table No. 3
FRANCHISED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS ~~2019~~2020 TO ~~2021~~2022**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – other reasons	Outlets at End of Year
Alabama	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations – other reasons	Outlets at End of Year
Arkansas	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Colorado	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	2	0	0	0	0	3
Connecticut	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2019	8	3	0	0	0	0	11
Florida	2020	11	1	1	0	0	0	11
	2021	11	2	0	0	0	0	13
	2022	13	0	0	0	0	0	13
Georgia	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	0	3
Idaho	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Illinois	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	5	0	0	0	0	5
Indiana	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	3	0	0	0	0	3
Kentucky	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	4	0	0	0	0	4
Michigan	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Minnesota	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	3	0	0	0	0	3
Mississippi	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Nebraska	2019	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations – other reasons	Outlets at End of Year
	<u>2020</u>							
	<u>2021</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
New Jersey	2020	0	0	0	0	0	0	0
	2021	0	10	0	0	0	0	10
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
North Carolina	2019 <u>2020</u>	0 <u>1</u>	10 <u>10</u>	0	0	0	0	1
	<u>2021</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2022</u>	<u>2</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
Ohio	2020	10	0	0	0	0	0	10
	2021	10	10	0	0	0	0	20
	<u>2022</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Pennsylvania	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	<u>2022</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
South Carolina	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	<u>2022</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Tennessee	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	<u>2022</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Texas	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	<u>2022</u>	<u>2</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
Utah	<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Virginia	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	<u>2022</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Total	2019	8	5	0	0	0	0	13
Total	2020	13	4	1	0	0	0	16
	2021	16	13	0	0	0	0	29
	<u>2022</u>	<u>29</u>	<u>46</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>74</u>

Table No. 4
COMPANY-OWNED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS ~~2019~~2020 TO ~~2021~~2022

State	Year	Outlets Operating at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets Operating At End of Year
Florida	2019	2	0	0	0	0	2
	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
Total	2019	2	0	0	0	0	2
	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2

Table No. 5
PROJECTED OPENINGS
AS OF SEPTEMBER 30, ~~2021~~2022

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
California	10	1	0
Colorado	2	0	0
Florida	0	1	
Alabama	1	0	0
Georgia	1 3	0 2	0
Kentucky	3	0	0
Louisiana	0	2	
Massachusetts	0	2	
Michigan	4	0	0
Minnesota	0 4	1 0	0
Missouri	0 10	1 0	0
New Jersey	0	7	0
New York	0	6	
North Carolina	1 2	0	0
Ohio	0	1	0
Oklahoma	1	0	0
Rhode Island	0	1	
Pennsylvania	1	0	0
South Carolina	0	1	0
Tennessee	2	4	0
Texas	4	2	1
Virginia	0	1	0
Wisconsin	5	0	0
Total	8 51	4 30	0

Notes to Above Tables:

(*) Our predecessor's fiscal year ended December 31st, and therefore the numbers for ~~the years 2019 and~~ 2020 reflect amounts based upon a fiscal year ended December 31st. Because our fiscal year

is ended September 30, 2021, the numbers for the year 2021 reflect amounts based upon January 1, 2021, to September 30, 2021. ~~The, and the~~ numbers ~~will~~ for the year 2022 (and each year going forward) reflect a fiscal year ended September 30th ~~on a going forward basis.~~

List of Current Franchisees

The names, addresses and telephone numbers of all current franchisees as of September 30, ~~2021~~2022, are listed in Exhibit C.

List of Former Franchisees

Included in Exhibit C is a list of the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had an outlet terminated, canceled, transferred, or not renewed by us, who otherwise voluntarily or involuntarily ceased to do business under their agreement as of the end of our fiscal year ended September 30, 2021, who has transferred an outlet, or who has not communicated with us within 10 weeks of the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Clauses

During the last three fiscal years, neither we nor our predecessor has signed any agreements with franchisees that contain confidentiality clauses that would restrict a franchisee's ability to speak openly about their experience.

Trademark-Specific Franchisee Organizations

We are not aware of any trademark-specific franchisee organizations associated with the franchise system which we have created, sponsored or endorsed, or any independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit A are the ~~Lynx Franchising, LLC~~ audited ~~successor~~ consolidated financial statements and supplementary information of ~~as~~ Outdoor Living Brands Holdco LLC ("OLB Holdco") for the fiscal year ended September 30, 2022, and for the period of September 30, 2021 and for the period from December 24, 2020 to September 30, 2021 and certain predecessor consolidated financial statements for the period from October 1, 2020 to December 23, 2020 and as of and for the years ended September 30, 2020 and 2019. Our ~~and Lynx Franchising, LLC's~~ fiscal year ~~ends are~~ end is September 30th. ~~Lynx Franchising, LLC~~ OLB Holdco has absolutely and unconditionally guaranteed our obligations under your Franchise Agreement. See Exhibit I for a copy of the written guarantee.

ITEM 22 CONTRACTS

Attached are the following agreements proposed for use in connection with our offering of franchises:

- B. Franchise Agreement
Attachment F – Sample Release Agreement

SUPERIOR FENCE & RAIL ~~2022~~2023 FDD (~~CA/MD/VA~~)

53

49931417v1

49931372v2

- E. State-Specific Addenda
- G. Acknowledgement Addendum
- H. Promissory Note

ITEM 23 RECEIPT

The last 2 pages of Exhibit K to this disclosure document are receipt pages acknowledging your receipt of the disclosure document. One copy is for your records, and one copy must be signed and dated by you and returned to us.

EXHIBIT A
FINANCIAL STATEMENTS

OUTDOOR LIVING BRANDS HOLDCO, LLC

**SUCCESSOR CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2022 AND 2021 AND FOR THE YEAR ENDING
SEPTEMBER 30, 2022 AND FOR THE PERIOD FROM
SEPTEMBER 10, 2021 TO SEPTEMBER 30, 2021
AND CERTAIN PREDECESSOR CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM OCTOBER 1, 2020 TO SEPTEMBER 9, 2021**

**with
INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

To the Member
Outdoor Living Brands Holdco, LLC

Opinion

We have audited the accompanying successor consolidated financial statements of Outdoor Living Brands Holdco, LLC (the "Company"), which comprise the consolidated balance sheets as of September 30, 2022 and 2021, and the related successor consolidated statements of operations, members' equity and cash flows for the year ending September 30, 2022 and the period from September 10, 2021 to September 30, 2021. We have also audited the predecessor consolidated statements of operations, member's equity and cash flows for the period from October 1, 2020 to September 9, 2021, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2022 and 2021, and the results of the successor operations and cash flows for the year ended September 30, 2022 and for the period from September 10, 2021 to September 30, 2021 and the results of predecessor operations and cash flows for the period from October 1, 2020 to September 9, 2021 in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date of this report.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter – Related Party Transactions

As discussed in Notes 2, 4, 5, 6, and 7, the Company has significant transactions with related parties.

Smith and Howard PC

January 13, 2023

OUTDOOR LIVING BRANDS HOLDCO, LLC
CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current Assets		
Cash	\$ 1,492,295	\$ 633,681
Royalties and accounts receivable, net	5,544,544	2,441,667
Notes receivable	231,429	155,486
Inventory	950,753	-
Prepaid expenses and other	<u>1,436,976</u>	<u>425,583</u>
Total Current Assets	9,655,997	3,656,417
Property and Equipment, Net	2,219,874	1,084,830
Other Assets		
Notes receivable, net of current portion	199,591	258,080
Intangibles, net	153,036,800	88,001,777
Other assets	<u>28,923</u>	<u>28,923</u>
	<u>153,265,314</u>	<u>88,288,780</u>
	<u>\$ 165,141,185</u>	<u>\$ 93,030,027</u>

LIABILITIES AND MEMBER'S EQUITY

Liabilities		
Accounts payable and accrued expenses	\$ 3,264,529	\$1,793,198
Contract liability - deferred revenue on franchise sales	1,619,650	282,050
Contract liability - customer deposits	<u>780,338</u>	<u>-</u>
Total Current Liabilities	5,664,517	\$2,075,248
Due to Affiliated Companies	<u>723,589</u>	<u>814,183</u>
Member's Equity	<u>158,753,079</u>	<u>90,140,596</u>
	<u>\$ 165,141,185</u>	<u>\$ 93,030,027</u>

The accompanying notes are an integral part of these consolidated financial statements.

OUTDOOR LIVING BRANDS HOLDCO, LLC
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDING SEPTEMBER 30, 2022 (SUCCESSOR)
AND FOR THE PERIOD OF SEPTEMBER 10, 2021 TO SEPTEMBER 30, 2021 (SUCCESSOR)
AND FOR THE PERIOD OF OCTOBER 1, 2020 TO SEPTEMBER 9, 2021 (PREDECESSOR)

	Successor For the year ending <u>September 30, 2022</u>	Successor September 10, 2021 to <u>September 30, 2021</u>	Predecessor October 1, 2020 to <u>September 9, 2021</u>
Revenue			
Fencing and rail revenues	\$ 16,879,944	\$ -	\$ -
Franchise royalties and fees	13,380,514	399,431	7,083,670
Product sales	8,878,823	425,709	7,366,342
Franchise fees	5,641,473	179,000	2,938,080
Ancillary	2,553,819	108,146	2,059,640
Advertising fund contributions	<u>2,159,470</u>	<u>9,453</u>	<u>1,615,792</u>
	49,494,043	1,121,739	21,063,524
Cost of Product Sales	16,544,077	281,172	6,016,876
Operating Expenses	<u>21,404,407</u>	<u>626,520</u>	<u>10,393,046</u>
Income from Operations	11,545,559	214,047	4,653,602
Other Income (Expense)			
Depreciation and amortization	(5,494,567)	(313,980)	(148,716)
Forgiveness of Paycheck Protection Program Loan	-	-	799,784
Other Income	<u>38,521</u>	<u>-</u>	<u>-</u>
	<u>(5,456,046)</u>	<u>(313,980)</u>	<u>651,068</u>
Net Income (Loss) Before Provision for Income Taxes	6,089,513	(99,933)	5,304,670
Provision for Income Taxes	<u>(1,655,211)</u>	<u>(26,757)</u>	<u>-</u>
Net Income (Loss)	<u>\$ 4,434,302</u>	<u>\$ (126,690)</u>	<u>\$ 5,304,670</u>

The accompanying notes are an integral part of these consolidated financial statements.

OUTDOOR LIVING BRANDS HOLDCO, LLC
CONSOLIDATED STATEMENT OF MEMBER'S EQUITY
FOR THE YEAR ENDING SEPTEMBER 30, 2022 (SUCCESSOR)
AND FOR THE PERIOD OF SEPTEMBER 10, 2021 TO SEPTEMBER 30, 2021 (SUCCESSOR)
AND FOR THE PERIOD OF OCTOBER 1, 2020 TO SEPTEMBER 9, 2021 (PREDECESSOR)

Predecessor:

Balance, September 30, 2020	\$ 8,423,383
Net Income	5,304,670
Distributions to Member	<u>(5,963,462)</u>
Balance, September 9, 2021	<u>\$ 7,764,591</u>

Successor:

Recapitalization (Note 5), September 10, 2021	\$ 90,178,403
Net Loss	(126,690)
Contributions from Member	<u>88,883</u>
Balance, September 30, 2021	90,140,596
Net Income	4,434,302
Distributions to Member	(5,078,245)
Contributions from Member	<u>69,256,426</u>
Balance, September 30, 2022	<u>\$ 158,753,079</u>

The accompanying notes are an integral part of these consolidated financial statements.

OUTDOOR LIVING BRANDS
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING SEPTEMBER 30, 2022 (SUCCESSOR)
FOR THE PERIOD OF SEPTEMBER 10, 2021 TO SEPTEMBER 30, 2021 (SUCCESSOR)
AND FOR THE PERIOD OF OCTOBER 1, 2020 TO SEPTEMBER 9, 2021 (PREDECESSOR)

	<u>Successor</u> For the year ending <u>September 30, 2022</u>	<u>Successor</u> September 10, 2021 to <u>September 30, 2021</u>	<u>Predecessor</u> October 1, 2020 to <u>September 9, 2021</u>
Cash Flows from Operating Activities:			
Net income (loss)	\$ 4,434,302	\$ (126,690)	\$ 5,304,670
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Bad debt expense (recoveries)	82,201	-	(24,148)
Depreciation and amortization	5,494,567	313,980	148,716
Forgiveness of Paycheck Protection Program loan	-	-	(799,784)
Provision for deferred income taxes	1,655,211	26,757	-
Changes in assets and liabilities:			
Royalties and accounts receivable	(2,044,615)	111,866	(38,017)
Notes receivable	(17,454)	-	(126,112)
Inventory	(122,300)	-	-
Prepaid expenses and other current assets	(976,687)	204,447	(261,772)
Other assets	-	-	18,205
Accounts payable and accrued expenses	925,000	190,358	362,392
Deferred revenues on franchise sales	1,337,600	(179,500)	160,975
Customer deposits	(306,386)	-	-
Net Cash Provided by Operating Activities	<u>10,461,439</u>	<u>541,218</u>	<u>4,745,125</u>
Cash Flows from Investing Activities:			
Purchases of property and equipment	(734,351)	-	(63,509)
Advances from (repayments to) affiliated companies	<u>(3,790,229)</u>	<u>-</u>	<u>(817,446)</u>
Net Cash Provided (Required) by Investing Activities	<u>(4,524,580)</u>	<u>-</u>	<u>(880,955)</u>
Cash Flows from Financing Activities:			
Payments on notes payable	-	-	(187,063)
Contributions from (distributions to) Member	<u>(5,078,245)</u>	<u>88,883</u>	<u>(5,963,462)</u>
Net Cash Provided (Required) by Financing Activities	<u>(5,078,245)</u>	<u>88,883</u>	<u>(6,150,525)</u>
Net Change in Cash	858,614	630,101	(2,286,355)
Cash, Beginning of Period	<u>633,681</u>	<u>3,580</u>	<u>3,247,663</u>
Cash, End of Period	<u>\$ 1,492,295</u>	<u>\$ 633,681</u>	<u>\$ 961,308</u>

Schedule of Non-Cash Operating and Investing Activities:

As further discussed in Note 5, prior to September 10, 2021, Outdoor Living Brands (the "Company") was under previous ownership. The Company was acquired by Lynx Franchising, LLC ("Lynx"). In conjunction with the acquisition, the consolidated balance sheet of the Company was adjusted to market values based upon fair market appraisals received by the Company increasing member's equity by approximately \$82,414,000.

As further discussed in Note 6, on December 15, 2021, the Company financed a business acquisition through member contributions totaling \$69,256,426.

OUTDOOR LIVING BRANDS HOLDCO, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 1 – DESCRIPTION OF BUSINESS

Outdoor Living Brands Holdco, LLC ("OLB Holdco" or "the Company"), is located in Virginia, operates multiple franchise brands serving the outdoor living product and service markets. Its customers are primarily located throughout the United States of America and Canada.

OLB includes four franchise brands under the trade names Archadeck Outdoor Living, Outdoor Lighting Perspectives, Conserva Irrigation, and Superior Fence and Rail (referred to hereafter as, the "brands"). The brands sell franchises and provide support for franchisees using standardized products, services and procedures developed by the franchisor.

Archadeck Outdoor Living franchises design, sells and constructs decks, porches, screened rooms, sunrooms, outdoor kitchens, hardscaped patios and other custom outdoor living space projects. Outdoor Lighting Perspectives franchises provide outdoor lighting and holiday lighting design and installation and maintenance services for residential and commercial clients. Conserva Irrigation franchises provide upgrades, maintenance services, and installation of outdoor irrigation systems for residential and commercial clients. Superior Fence and Rail franchises sell and construct a variety of fences for residential and commercial clients.

As discussed further in Note, 5, prior to September 9, 2021, the brands were owned and operated by Outdoor Living Brands, Inc ("OLB, Inc" or "the Predecessor"). On September 10, 2021, Lynx Franchising, LLC ("Lynx"), a wholly owned subsidiary of MidOcean BCAT Holdings, Inc. ("BCAT"), formed OLB Holdco for the purpose acquiring the brands. Lynx, BCAT and OLB Holdco are referred to herein as "the Successors." Subsequent to September 30, 2022, Lynx's name was formally changed to "Empower Brands".

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Presentation

For the period of October 1, 2020 to September 9, 2021 (the "predecessor period"), the accompanying consolidated financial statements include the accounts of OLB, Inc's wholly-owned subsidiaries, which includes Outdoor Lighting Perspectives Holding Corporation, Outdoor Lighting Perspectives Franchising, Inc., Outdoor Living Brands Intellectual Property Corporation, Outdoor Lighting Perspectives International, Inc. (collectively, "Outdoor Lighting Perspectives"), Archadeck Franchising Corporation ("Archadeck"), Outdoor Living Brands Supply Corporation, Outdoor Living Brands Management, Inc. ("OLB Management"), and Conserva Irrigation Franchising, LLC ("Conserva"). These companies owned and operated the brands.

For the year ending September 30, 2022 and for the period of September 10, 2021 to September 30, 2021 (the "successor period"), the accompanying consolidated financial statements include the accounts of OLB Holdco. On September 10, 2021, OLB Holdco formed the wholly owned subsidiaries: Archadeck Franchisor, LLC, Outdoor Lighting Perspectives Franchisor, LLC, OLB Supply Chain, LLC ("OLB Supply") and Conserva Irrigation Franchisor, LLC. These subsidiaries acquired the assets of Outdoor Lighting Perspectives, Archadeck, OLB Supply, OLB Management and Conserva from OLB, Inc. As further discussed in Note 6, on December 15, 2021 OLB Holdco formed Superior Fence and Rail, LLC ("SFR") and Superior Fence and Rail of NOFL, LLC ("SFR-NOFL") as part of a business acquisition.

The accompanying consolidated financial statements present the operations, equity and cash flows of the Company under Successor and Predecessor ownership during the year ended September 30, 2022 and for the period of September 10, 2021 to September 30, 2021 and the period of October 1, 2020 to September 9, 2021. Intercompany transactions and balances have been eliminated in consolidation.

The Company follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

OUTDOOR LIVING BRANDS HOLDCO, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Revenues for the Company are disaggregated into the following revenue streams:

Fencing and Rail Revenues

SFR-NOFL's fencing and rail contracts generally include a single performance obligation for which revenue is recognized over time, as performance obligations are satisfied, due to the continuous transfer of control to the customer. Fencing and rail contracts are normally short term (less than one month) and seldom have multiple performance obligations or variable consideration. The contract liability "customer deposits" represents funds received from customers before the contract has commenced. Customers are billed upon contract completion. SFR-NOFL provides a labor warranty following completion of services performed under its contracts. Historically, warranty claims have not resulted in materials costs incurred.

Franchise Royalties and Advertising Fund Contributions

The Company collects royalties and advertising fund contributions ranging from 1.5% to 6.5% of a franchisee's monthly revenues. Royalties and advertising fund contributions are considered variable consideration. GAAP requires variable consideration that is to be recognized over the term of the franchise agreement to be estimated at the inception of the Franchise Agreement. Deferred revenue and a receivable would normally be recognized at the inception of the Franchise Agreement based on this estimate; however, given the nature of the business, the constraints associated with estimating these fees cannot be overcome in order to determine an estimate of the variable consideration that would not be likely to result in a significant reversal. Accordingly, as allowed by GAAP, these fees are recognized in the month in which services are performed for customers.

Product Sales and Ancillary Revenues

OLB Supply sells and distributes to its franchisees certain products and provides supporting services required for use in the operation of a franchise. The revenue from the sale of these products and ancillary services performed by the Franchisors is recognized at the point in time the products and services are delivered.

OUTDOOR LIVING BRANDS HOLDCO, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Franchise Fees

Archadeck, Outdoor Lighting Perspectives, Conserva, and SFR (the “Franchisors”) sell franchises which grant franchisees a right to operate within a designated territory. These franchises are conveyed through a Franchise Agreement. The sale of the franchises is reflected within Franchise Fees in the accompanying consolidated statement of operations. Following execution of the Franchise Agreement, the Franchisors agree to provide certain initial services, including advertising material, manuals, website development, training and on-site assistance. The value of the initial services provided exceeds the standalone value individual services performed by the Franchisors. Included in the accompanying balance sheet is a contract liability, “deferred revenue on franchise sales,” which represents initial services that have not yet been completed for franchisees. This liability was \$1,619,650 and \$282,050 at September 30, 2022 and 2021, respectively. Upon completion of these initial services, the franchise fees are recognized as revenue in the accompanying statement of operations. As further discussed in Note 3, the Franchisors finance the sale of Franchise Agreements.

Risks and Uncertainties

The Company’s financial instruments that are exposed to concentrations of credit risk consist primarily of cash and receivables. The Company maintains cash balances at financial institutions that, at times, are in excess of federally insured limits. Management continually monitors receivable balances and believes that its exposure to receivable credit risk is limited. The Company performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Company’s cash management strategy. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying consolidated financial statements.

Property and Equipment

Property and equipment are recorded at cost. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets (3-10 years). The cost and accumulated depreciation for property and equipment sold, retired, or otherwise disposed of are relieved from the accounts, and resulting gains and losses are recognized currently. Minor maintenance, repairs, and renewals are expensed as incurred.

Property and equipment consists of the following at September 30:

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 799,907	\$ 795,727
Furniture and fixtures	276,558	276,558
Office equipment	20,273	20,273
Vehicles and equipment	1,104,812	-
Software	267,000	-
	<u>2,468,550</u>	<u>1,092,558</u>
Less: accumulated depreciation	<u>(248,676)</u>	<u>(7,728)</u>
	<u><u>\$ 2,219,874</u></u>	<u><u>\$ 1,084,830</u></u>

Depreciation expense was \$232,969 for the year ending September 30, 2022, \$7,728 for the period from September 10, 2021 to September 30, 2021, and \$131,171 for the predecessor periods from October 1, 2020 through September 9, 2021.

OUTDOOR LIVING BRANDS HOLDCO, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible Assets

The Company's franchise agreements, internally developed software, trademarks, and goodwill were assigned fair values based upon appraisals obtained as part of the recapitalization as further discussed in Note 5 and acquisition further discussed in Note 6. The value associated with the franchise agreements, internally developed software, and trademarks are being amortized on a straight-line basis over 5-15 years.

The Company periodically evaluates whether changes have occurred that would require revision of the remaining estimated useful life of the franchise agreements, trademarks, internally developed software and non-compete agreements as well as whether changes have occurred to determine if all intangible assets are recoverable.

Goodwill is not amortized, but is tested for impairment using a fair value approach. If the fair value of the reporting unit is less than its carrying value, or if the fair value of the goodwill has been diminished, an impairment loss would be recorded to the extent of that difference. The Company tests for impairment as of September 30 annually. Goodwill will be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value or diminish the fair value of the goodwill. Management believes there has been no impairment of intangible assets during 2022 or 2021.

Intangible assets consists of the following at September 30:

	<u>Estimated Useful Life</u>	<u>2022</u>	<u>2021</u>
Franchise agreements	7 years	\$ 30,710,000	\$ 20,200,000
Internally developed software	5 years	6,350,000	3,650,000
Trademarks	15 years	1,840,000	890,000
		<u>38,900,000</u>	<u>24,740,000</u>
Less: accumulated amortization		<u>(5,559,873)</u>	<u>(306,254)</u>
		33,340,127	24,433,746
Goodwill	Indefinite	<u>119,696,673</u>	<u>63,568,031</u>
		<u>\$ 153,036,800</u>	<u>\$ 88,001,777</u>

Future intangible amortization expense for the years ending September 30 are as follows:

2023	\$ 5,779,810
2024	5,779,810
2025	5,779,810
2026	5,718,977
2027	4,644,810
Thereafter	5,636,910
	<u>\$ 33,340,127</u>

Amortization expense was \$5,253,619 for the year ending September 30, 2022, \$306,254 for the period from September 10, 2021 to September 30, 2021, and \$17,545 for the predecessor period from October 1, 2020 through September 9, 2021.

OUTDOOR LIVING BRANDS HOLDCO, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company is a disregarded entity for income tax purposes and is included in the consolidated tax filings of BCAT, the Parent Company of Lynx. Income taxes are the responsibility of BCAT and not of the Company. As such, the Company shall record a due to or due from and a provision or credit for income taxes representing BCAT's income taxes to be paid based upon projected current and deferred taxes of the Company.

The provision (credit) for income taxes consists of the following for the following periods:

	Successor For the year ending <u>September 30, 2022</u>	Successor September 10, 2021 to <u>September 30, 2021</u>	Predecessor October 1, 2020 to <u>September 9, 2021</u>
Current:			
Federal	\$ 762,066	\$ (245,966)	\$ -
State	207,489	-	-
	<u>969,555</u>	<u>(245,966)</u>	<u>-</u>
Deferred:			
Federal	536,867	213,540	-
State	148,789	59,183	-
	<u>685,656</u>	<u>272,723</u>	<u>-</u>
	<u>\$ 1,655,211</u>	<u>\$ 26,757</u>	<u>\$ -</u>

The provision (credit) has been recorded in the accompanying consolidated statement of operations as if the Company were the tax-paying entity. The provision for income taxes differs from statutory rates primarily because of certain tax differences arising from non-deductible items and state taxes. The accompanying consolidated balance sheet does not include income tax accounts because the Company is a "disregarded entity" and under tax sharing agreements with BCAT, income tax amounts are due from (to) the BCAT and, accordingly, are immediately satisfied via intercompany.

Under predecessor ownership, the Company elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under these provisions, the Company did not pay federal and state corporate income taxes on its income. Instead, the Company's income was included in the income of its stockholders for federal and state income tax purposes.

The Company accounts for uncertainty in income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the consolidated financial statements. The Company utilizes a two-step approach for evaluating tax positions. Recognition occurs when the Company concludes that a tax position, based solely on its technical merits, is more likely than not to be sustained upon examination. Measurement is only addressed if recognition has been satisfied. Under measurement, the tax benefit is measured at the largest amount of benefit, determined on a cumulative probability basis that is more likely than not to be realized upon final settlement. The term "more likely than not" is interpreted to mean that the likelihood of occurrence is greater than 50%. The Company recognizes penalties and interest accrued related to unrecognized tax benefits in income tax expense.

OUTDOOR LIVING BRANDS HOLDCO, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Company files income tax returns in the U.S. federal and various state tax jurisdictions. In the normal course of business, the Company is subject to examination by the federal and state taxing authorities. In general, the Company is subject to tax examinations for the successor period.

Paycheck Protection Program

In April 2020, the Company obtained a Small Business Administration (“SBA”) loan under the Paycheck Protection Program (“PPP”) totaling \$799,784. The PPP loan bore interest at 1.00% and may have required repayment under certain circumstances. Under the terms of Coronavirus Aid, Relief, and Economic Securities Act (the “Cares Act”), the Company applied with its lending institution for PPP loan proceeds used within a specified time period to be forgiven, as the proceeds are used to cover certain payroll and other expenses as defined by the Cares Act. During the predecessor period, the Company utilized all PPP funding on qualifying expenses and accordingly has recorded other income within the consolidated statement of operations for the full amount. In 2021, the Company applied for PPP forgiveness with its SBA lender and was notified in March 2021 that the SBA approved its application and the loan has been forgiven.

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the consolidated financial statements were available to be issued.

NOTE 3 – FRANCHISE SALES AND NOTES RECEIVABLE

At September 30, 2022 and 2021, the Company is financing the sales of twenty and twenty-three, respectively, franchises to the purchasers. The notes receivable at September 30, 2022 and 2021, contain interest rates at the Prime Rate plus 3% (an effective rate of 9.25% and 6.25% at September 30, 2022 and 2021, respectively) and mature at various dates through 2026. Based on management’s evaluation of notes receivable, no allowance for uncollectible balances was deemed necessary. Outstanding principal balances under the notes receivable are scheduled to mature for the years ending September 30 as follows:

2023	\$	231,429
2024		138,863
2025		40,768
2026		19,960
	\$	<u>431,020</u>

NOTE 4 – RELATED PARTY TRANSACTIONS

Following the acquisition of the Company by the Successor, the Company is party to management and consulting agreements with certain members of equity groups holding ownership units of Lynx. Additionally, the Company’s Board of Directors consists of members of management of certain of the equity groups holding ownership units in Lynx. Consulting and board fees for the year ended September 30, 2022 was \$547,571. There were no consulting or board fees for the period of September 10, 2021 to September 30, 2021.

The Company periodically lends or borrows unsecured interest-bearing amounts with Lynx and affiliate companies under common ownership of Lynx. Because there are no specific repayment terms relative to amounts due from Lynx and affiliates, management classifies these amounts as long-term.

OUTDOOR LIVING BRANDS HOLDCO, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 5 – RECAPITALIZATION

As discussed in Notes 1 and 2, on September 9, 2021, the Predecessor owner of the Company sold substantially all of the assets of Outdoor Lighting Perspectives, Archadeck, OLB Supply, OLB Management and Conserva to the Successor owner at a purchase price of approximately \$90,178,000. This purchase was funded through outside financing obtained by Successor owner with a financial institution, cash proceeds and units of ownership interest in Bobcat Holdings Group, LP, the parent company of the Successor.

The opening consolidated balance sheet of the Company, effective on September 10, 2021 was as follows:

Cash	\$ 3,580
Royalties and accounts receivable	2,553,533
Prepays	630,030
Property and equipment	1,092,556
Intangibles	88,308,031
Other assets	28,923
Notes receivable	413,566
Total Assets	<u>\$ 93,030,219</u>
Accounts payable and accrued expenses	\$ 1,602,840
Due to affiliated company	787,426
Deferred revenue on franchise sales	461,550
Total Liabilities	<u>2,851,816</u>
Member's Equity	90,178,403
Total Liabilities and Member's Equity	<u>\$ 93,030,219</u>

NOTE 6 – BUSINESS ACQUISITION

On December 15, 2021, the Company acquired the assets of Superior Fence & Rail, Inc., Superior Fence & Rail Franchising, LLC, and Superior Fence & Rail of North Florida, Inc. (collectively referred to as "Superior") for the purpose of adding a fencing service brand to the existing Archadeck Outdoor Living, Outdoor Lighting Perspectives and Conserva Irrigation brands.

After net working capital adjustments, the purchase price of Superior was approximately \$69,256,000 which includes a \$5,000,000 earnout provision subject to Superior maintaining certain revenue and employee retention thresholds. The acquisition was funded by capital contributions from Lynx consisting of units of ownership interest in Bobcat Holdings valued at approximately \$25,000,000, debt financing of approximately, \$31,000,000 obtained by Lynx, and cash.

The Company recorded tangible and intangible assets acquired and liabilities assumed in the acquisition under the purchase method of accounting. The consideration was allocated to assets and liabilities based on their fair values at the acquisition date. The \$5,000,000 earnout provision liability was allocated to and will be paid by Lynx if earned.

OUTDOOR LIVING BRANDS HOLDCO, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 AND 2021

NOTE 6 – BUSINESS ACQUISITION (Continued)

The allocation of the purchase price was as follows:

Royalties and accounts receivable, net	\$ 1,140,463
Inventory	828,453
Prepaid expenses and other	34,706
Property and equipment, net	641,641
Intangibles, net	70,288,642
Accounts payable and accrued expenses	(546,331)
Customer deposits	(1,086,724)
Due to affiliated companies	(2,044,424)
	<u>\$ 69,256,426</u>

NOTE 7 – COMMITMENTS

Loan Guarantees

The Company and various other affiliates owned by Lynx have guaranteed approximately \$238,900,000 of credit facilities obtained by Lynx. Total outstanding borrowings were approximately \$235,500,000 at September 30, 2022.

Operating Leases

The Company has a leasing arrangements for its office and warehouse spaces used in connection with its operations. These leases expire at various dates through 2034. Subsequent to year end, the Company amended its lease for its office in Virginia. Future minimum required payments under this noncancelable leases, as subsequently amended, is as follows for the years ended September 30:

2022	\$ 327,214
2023	506,106
2024	327,210
2025	295,892
2026	301,815
Thereafter	2,085,349
	<u>\$ 3,843,586</u>

Total rent expense for the year ended September 30, 2022 was approximately \$287,000.

NOTE 8 – RETIREMENT PLAN

The Company has a salary deferral plan under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees to defer a portion of their compensation ranging from 1% to 15%. Such deferrals accumulate on a tax-deferred basis until the employee withdraws the funds. The Company, at its option, may match a portion of the employees' contribution. The Company made contributions of \$190,592 during the year ending September 30, 2022, \$5,679 for the period from September 10, 2021 to September 30, 2021 and \$95,641 for the period from October 1, 2020 to September 9, 2021.

EXHIBIT B

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

FRANCHISE AGREEMENT



SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

FRANCHISE AGREEMENT

Franchisee Name: _____

Date: _____

Territory Name: _____

Territory Number: _____

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- C. Statement of Ownership
- D. Electronic Payment Authorization
- E. Collateral Assignment of Telephone Numbers, Telephone Listings and Internet Addresses
- F. Sample Release Agreement
- G. Successor Addendum
- H. ~~Multi Unit~~ [Aggregate Reporting](#) Addendum
- I. Software License Agreement

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made this _____ day of _____, 20_____, by and between **SUPERIOR FENCE AND RAIL FRANCHISOR, LLC**, a Delaware limited liability company, located at 2426 Old Brick Road, Glen Allen, Virginia 23060 (“**Franchisor**”) and _____, located at _____ (“**Franchisee**”).

RECITALS

WHEREAS, Franchisor and its affiliates have developed a comprehensive system for the operation of a business selling, furnishing and installing wood, steel, aluminum and vinyl fencing and related garden products for residential and commercial customers.

WHEREAS, Fencing Businesses are operated under a unique business system, including valuable know-how, information, Trade Secrets, Confidential Information, methods, Manual, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development (the “System”).

WHEREAS, the distinguishing characteristics of the System include the trademark “**SUPERIOR FENCE & RAIL, INC.**” and other trademarks and trade names, confidential operating procedures, confidential Manual, standards and specifications for equipment, services and products, method of Internet usage, methods of service, management and marketing programs and sales techniques and strategies. All of these distinguishing characteristics may be changed, improved, and further developed by Franchisor from time to time. They are Franchisor’s Confidential Information and Trade Secrets and are designated by and identified with the Marks described in this Agreement.

WHEREAS, Franchisor’s affiliate, Lynx Franchising Intellectual Property, LLC (“**Lynx IP**”) is the owner of certain trademarks and service marks associated with or related to the System, and which represent the System’s high standards of quality, service and customer satisfaction, and Lynx IP has granted to Franchisor the right to use and sublicense others to use those trademarks and service marks.

WHEREAS, Franchisee acknowledges the benefits to be derived from being identified with the System, and also recognizes the value of the Marks and the continued uniformity of image to Franchisee, Franchisor, and other franchisees of Franchisor.

WHEREAS, Franchisee acknowledges the importance to the System of Franchisor’s high and uniform standards of quality, service and customer satisfaction, and further recognizes the necessity of opening and operating a Fencing Business in conformity with the System, whether such Fencing Business is located in Franchisee’s home or an outside leased or owned location.

WHEREAS, Franchisee recognizes that in order to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on Franchisee, including strict adherence to Franchisor’s reasonable present and future requirements regarding the types of products sold, services offered, advertising used, operational techniques, marketing and sales strategies and related matters.

WHEREAS, Franchisee is aware of the foregoing and is desirous of obtaining the right and obligation to use the System and in association therewith, the right and obligation to use the Marks, and

wishes to be assisted, trained, and franchised to operate a Fencing Business pursuant to the provisions and within the Territory specified in this Agreement, subject to the terms and conditions contained in this Agreement.

The parties therefore agree as follows:

DEFINITIONS

For the purposes of this Agreement, the following are hereby defined:

- (a) **“Agreement”** - means this agreement, attachments, addenda and all instruments in amendment hereof.
- (b) **“Affiliate”** - means any person or entity that controls, is controlled by, or is in common control with, Franchisor.
- (c) **“Business” or “Fencing Business”** - means the business operations conducted or to be conducted by Franchisee consisting of a business selling, furnishing and installing wood, steel, aluminum and vinyl fencing and related garden products for residential and commercial customers.
- (d) **“Confidential Information”** - means all knowledge, know-how, standards, formulas, methods and procedures related to the establishment and operation of the Business and use of the System, and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Business including, without limitation, all databases (whether in print, electronic or other form), all names, addresses, phone numbers, e-mail addresses, customer purchase records, mail lists, manuals, promotional and marketing materials, marketing strategies and any other data and information which Franchisor or its Affiliates designates as confidential, including without limitation all information contained in Franchisor’s Manual, which may be provided as one or more separate manuals, written instructional guides, CD Rom, electronic formats, via the Franchisor’s intranet system, or other communications from Franchisor or its affiliates, which Franchisor has the right to periodically change or supplement.
- (e) **“Franchise”** - shall mean the business operations conducted or to be conducted using Franchisor’s System and in association with the Marks.
- (f) **“Gross Revenues”** - means the total of all receipts derived from all sales of products and services in connection with Franchisee’s Fencing Business, including, without limitation, labor, insurance claims for lost profits to the extent a claim is paid by the insurer, and all other products and services sold or performed by or for Franchisee or Franchisee’s Fencing Business or by means of the business conducted under this Agreement, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons, services, property or other means of exchange. Gross Revenues do not include:
 - (i) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and in fact paid by Franchisee to the appropriate governmental authority; and

- (ii) all customer refunds, valid discounts and coupons, and credits made by the Fencing Business (exclusions will not include any reductions for credit card user fees, financing program fees, returned checks or reserves for bad credit or doubtful accounts).

Gross Revenues shall be deemed received by Franchisee at the time the services or products from which they were derived, are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by Franchisee. Gross Revenues consisting of property or services shall be valued at the retail prices applicable and in effect at the time that they are received.

(g) **"Lease"** - means any agreement (whether oral or written) under which the right to occupy an Office and Storage Facility has been obtained, and any amendment made thereto from time to time, including without limitation, any offer to lease, license or lease agreement.

(h) **"Manual"** – has the meaning described in Section 7.3(d) below.

(i) **"Marks"** - means the trademark **"SUPERIOR FENCE & RAIL, INC."** together with such other trade names, trademarks, taglines, symbols, logos, distinctive names, service marks, certification marks, logo designs, insignia or otherwise which Franchisor owns or licenses and which Franchisor may designate from time to time as part of the System for use by Franchisees, and not thereafter withdrawn.

(j) **"National Accounts"** – means those customers or accounts Franchisor designates, in its sole and absolute discretion, as desiring central billing accounts, or that have at least twenty (20) locations, and such locations are located in more than one franchised or company-owned territory or market.

(k) **"Office and Storage Facility"** – means the office space and storage facility or other approved location in which Franchisee operates its Fencing Business and stores tools, equipment, and certain types of inventory used in connection with its Fencing Business.

(l) **"Products"** - means all supplies, materials and equipment sold, prepared or otherwise dealt with in connection with the Business and associated with the Marks.

(m) **"Services"** - means all services offered or provided in connection with the Fencing Business including selling, furnishing and installing wood, steel, aluminum and vinyl fencing and related garden products for residential and commercial customers and associated with the Marks.

(n) **"Trade Secret(s)"** – means information, including a formula, pattern, compilation, program, device, method, technique or process related to the System that both derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

1. COVENANTS, REPRESENTATIONS, AND WARRANTIES OF FRANCHISEE

Franchisee covenants, represents and warrants as follows and acknowledges that Franchisor is relying upon such covenants, representations and warranties in making its decision to enter into this Agreement.

1.1 Franchisee acknowledges that it has received, has had ample time to read, and has read this Agreement and the corresponding Franchise Disclosure Document, and all related agreements with Franchisor. Franchisee acknowledges that Franchisor has advised him to obtain independent legal and accounting advice with respect to this Agreement and the transactions arising out of this Agreement. Franchisee further acknowledges that it has had an adequate opportunity to be advised by legal, accounting and other professional advisors of its own choosing regarding all pertinent aspects of the Business, Franchisor and this Agreement.

1.2 Franchisee has, or has made firm arrangements to acquire funds to commence, open and operate the Business and it is financially and otherwise able to accept the risks attendant upon entering into this Agreement.

1.3 All statements made by Franchisee in writing in connection with its application for this Franchise were, to the best of its knowledge, true when made and continue to be true as of the date of this Agreement.

1.4 There are no material financial obligations of Franchisee whether actual or contingent which are outstanding as of the date of this Agreement other than those disclosed to Franchisor by Franchisee in writing.

1.5 Franchisee is not a party to or subject to any court or administrative order or action of any governmental authority which would limit or interfere in any way with the performance by Franchisee of its obligation hereunder.

1.6 Franchisee is not a party to any litigation or legal proceedings other than those which have been disclosed to Franchisor by Franchisee in writing.

1.7 Franchisee represents that it is not a party to or subject to agreements that might conflict with the terms of this Agreement and agrees not to enter into any conflicting agreements during the Initial Term or any Interim Period.

1.8 Franchisee agrees and acknowledges that it has not been induced to enter into this Agreement in reliance upon, nor as a result of, any statements, representations, warranties, conditions, covenants, promises or inducements, whatsoever, whether oral or written, and whether directly related to the contents hereof or collateral thereto, made by Franchisor, its officers, directors, agents, employees or contractors except as provided herein. Franchisee acknowledges that the Franchise has been granted in reliance upon the information supplied to Franchisor in Franchisee's application for a Franchise.

1.9 Franchisee and its owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and its owners certify, represent, and warrant that none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws.

(a) Franchisee and its owners certify that none of them, their respective employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224 (which can be accessed at <http://www.treasury.gov/offices/enforcement/ofac/legal/eo/13224.pdf>). Franchisee agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex.

(b) Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, their employees, or anyone associated with Franchisee to be listed in the Annex to Executive Order 13224.

(c) Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities set forth in this Agreement pertain to its obligations under this Section 1.9.

(d) Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its owners, agents, its employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered with Franchisor or any of Franchisor's affiliates.

(e) “**Anti-Terrorism Laws**” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control and any government agency outside the U.S.) addressing or in any way relating to terrorist acts and/or acts of war.

2. GRANT OF LICENSE

2.1 Subject to all the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee accepts, for the Initial Term of this Agreement the right, obligation and license (“**License**”) to:

(a) Operate a Business upon the terms and conditions of this Agreement in the territory described in **Attachment A (“Territory”)**;

(b) Use the Marks and the System; and

(c) Offer and market only Franchisor's approved Services and Products, unless Franchisor approves in writing (such approval to be in Franchisor's sole and absolute discretion) Franchisee's request to offer and market complementary and non-competing services or products.

2.2 The License does not include the right to sell any products to any vendor who would in turn sell to consumers.

2.3 Franchisee recognizes that variations and additions to the System may be required from time to time in order to preserve and/or enhance the System. Therefore, Franchisor expressly reserves the right to add to, subtract from, revise, modify or change from time to time the System or any part thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and to make such reasonable expenditures as may be necessary to comply pursuant to Section 8.

2.4 Franchisee recognizes that the rights that are granted to Franchisee are for the specific Territory, defined in Section 4.1 and no other, and cannot be transferred to an alternate Territory, without the prior written approval of Franchisor, which approval may be granted or withheld in Franchisor's sole discretion.

3. TERM OF THE AGREEMENT AND LICENSE

3.1 This Agreement and the License granted shall continue for a period of seven years ("**Initial Term**"). This Initial Term shall begin on the date this Agreement is executed by Franchisor, subject, however, to termination in accordance with the provisions of this Agreement. When the Initial Term expires Franchisee shall have the option to extend its rights to operate the Fencing Business for one additional term equal to the length of Franchisor's then-current initial term as described in its then-current Superior Fence & Rail, Inc.® franchise agreement ("**Successor Term**"), provided Franchisor determines in its sole and absolute discretion that Franchisee has met all of the following requirements:

(a) Franchisee has not failed to remedy any breach of this Agreement specified by Franchisor in a written notice to Franchisee as per Sections 17.1 or 17.2;

(b) Franchisee has not committed and received notice of two or more breaches of this Agreement in the 12 months prior to the end of the current Initial Term, even if such breaches were timely remedied;

(c) Franchisee has met the Minimum Annual Sales Quota every year during the Initial Term;

(d) Franchisee has given Franchisor a written notice of intent to extend its rights to operate the Fencing Business no less than two months or more than six months prior to expiration of the Initial Term;

(e) Franchisee is current in its payment obligations to Franchisor, Franchisor's Affiliates, and Franchisee's trade creditors;

(f) Franchisee has met Franchisor's then-current qualifications for new or renewing Superior Fence & Rail, Inc.® franchisees;

(g) Franchisee executes a successor franchise agreement ("**Successor Franchise Agreement**") and all other agreements in the form then being used by Franchisor in granting new franchises, which may contain materially different terms and conditions than this Agreement, provided that Franchisee will pay Franchisor the Successor Franchise Fee (defined below) instead of the Initial Franchise Fee and the Successor Term will be no less than five years, as described above.

(h) Franchisee pays Franchisor the successor franchise fee equal to the greater of \$4,950 or 10% of the then existing Initial Franchise Fee as described in the Franchisor's then existing Franchise Agreement ("**Successor Franchise Fee**"), which is due and payable to Franchisor at the time of signing the Successor Franchise Agreement;

(i) Franchisee executes a general release of all claims Franchisee may have against Franchisor, its officers, directors, members, shareholders, agents, Affiliates, and employees, whether in their corporate and/or individual capacities. This release shall include all claims arising under any federal, state, or local law, rule, or ordinance arising out of or concerning this Agreement (to the fullest extent permitted by law) and shall be in a form satisfactory to Franchisor;

(j) Franchisee has upgraded the computer system and vehicle used in operations of the Business to Franchisor's then-current standards;

(k) Franchisee has provided Franchisor with proof of current licenses, insurance and any necessary permits; and

(l) Franchisee has met any other conditions that Franchisor reasonably requires.

3.2 Franchisor reserves the right, but not the obligation, in Franchisor's sole discretion, to modify Franchisee's Territory at the time Franchisee executes a Successor Franchise Agreement to conform the size of Franchisee's Territory to Franchisor's then-current standards for protected territorial areas that are being granted to new Superior Fence & Rail, Inc.® franchisees, for example, if there has been an increase or decrease in the population or number of qualified households within Franchisee's original Territory, or if Franchisor uses different standards or calculations in determining the size of protected territories that are granted to new Superior Fence & Rail, Inc.® franchisees. If at the time Franchisee intends to execute a Successor Franchise Agreement the size of Franchisee's original Territory encompasses more than one protected territory based upon Franchisor's then-current standards for determining protected territories for new Superior Fence & Rail, Inc.® franchisees, then Franchisor we may require Franchisee to execute multiple Successor Franchise Agreements if Franchisee wishes to continue operating within the entire original Territory.

3.3 Franchisee's failure to give timely notice of Franchisee's intention to extend its rights to operate the Fencing Business, as described in Section 3.1(d) shall be deemed an election not to extend Franchisee's rights to operate the Fencing Business. IN FRANCHISOR'S SOLE DETERMINATION, FRANCHISEE MAY BE DEEMED TO HAVE IRREVOCABLY DECLINED TO EXTEND FRANCHISEE'S RIGHTS TO OPERATE THE FENCING BUSINESS (AND ITS OPTION SHALL THEREUPON TERMINATE) IF IT FAILS TO EXECUTE AND RETURN TO FRANCHISOR THE SUCCESSOR FRANCHISE AGREEMENT AND OTHER DOCUMENTS REQUIRED BY FRANCHISOR WITHIN 30 DAYS AFTER THEIR DELIVERY TO FRANCHISEE, OR FAILS TO COMPLY IN ANY OTHER WAY WITH THE PROVISIONS OF THIS SECTION 3.

3.4 If Franchisee does not sign a Successor Franchise Agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor, this Agreement may be treated either as (i) expired as of the date of expiration with Franchisee then operating without a license or franchise to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("**Interim Period**") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

4. TERRITORY

4.1 During the Initial Term and any Interim Period and for so long as Franchisee is in compliance with all of its obligations hereunder, except as otherwise provided in this Agreement, including Franchisor's reservation of rights as set forth in Sections 4.2, 4.4 and 4.7, neither Franchisor nor any Affiliate will establish or license another person or entity to establish a Fencing Business using the Marks licensed to Franchisee within the Territory encompassed by the boundaries and with the population base set forth in **Attachment A**, attached hereto and incorporated herein by reference. Except as otherwise specifically provided in this Agreement, this Agreement does not restrict Franchisor or its Affiliates and does not grant rights to Franchisee to pursue any of Franchisor's or its Affiliates other business concepts other than the Fencing Business.

4.2 Franchisee acknowledges that Franchise granted hereunder is non-exclusive and that Franchisor and its Affiliates retain the exclusive right, among others:

(a) to use, and to license others to use, the Marks and System for the operation of Fencing Businesses at any location other than in the Territory, regardless of proximity to the Territory;

(b) to use, license or franchise the use of trademarks or service marks other than the Marks, whether in alternative channels of distribution or at any location including the Territory, in association with operations that are the same as, similar to or different than Fencing Business;

(c) to use the Marks and the System in connection with the provision of other services and products or in alternative channels of distribution such as those described in 4.2(d), at any location including the Territory;

(d) to offer the Services or Products, or grant others the right to offer the Services or Products, whether using the Marks or other trademarks or service marks, through alternative channels of distribution, including without limitation, wholesalers, retail outlets or other distribution outlets (other than Fencing Businesses), or by Internet commerce (e-commerce), mail order or otherwise, whether inside or outside the Territory;

(e) to use any websites utilizing a domain name incorporating one or more of the words "**Superior Fence & Rail**" or similar derivatives thereof. Franchisor retains the sole right to market on the Internet and use the Marks on the Internet, including all use of websites, domain names, URL's, directory addresses, metatags, linking, advertising, and co-branding and other arrangements. Franchisee may not independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique, with words or symbols similar to the Marks or otherwise establish any presence on the Internet without Franchisor's prior written approval. Franchisor intends that any Franchisee website be accessed only through Franchisor's home page. Franchisee will provide Franchisor with content for Franchisor's Internet marketing, and will sign Internet and intranet usage agreements, if any. Franchisor retains the right to approve any linking or other use of its website;

(f) to acquire businesses that are the same as or similar to the Fencing Business and operate such businesses regardless of where such businesses are located, including inside the Territory and to be acquired by any third party which operates businesses that are the same as or similar to the Fencing Business regardless of where such businesses are located, including inside the Territory; and

(g) to directly or indirectly provide services to National Accounts located inside or outside the Territory as further described in Section 4.7.

4.3 Franchisee may be granted, at Franchisor's sole discretion, express permission to sell or service customers in an unsold territory adjacent to Franchisee's Territory ("**Adjacent Territory**"); provided that Franchisee agrees that when the Adjacent Territory is granted to another franchisee by Franchisor, Franchisee will, upon receipt of written notice from Franchisor, cease all its sales and service efforts within the Adjacent Territory and, within 10 days of such notice: (a) return to Franchisor all lists of customers and prospects within the Adjacent Territory; (b) assign all customer contracts within the Adjacent Territory to Franchisor or its designee; and (c) pay to Franchisor any amounts (or a pro rata portion of any amounts) paid by customers within the Adjacent Territory for Services Franchisee has not yet performed. For example, if a customer pre-paid for services and Franchisee had performed half of the services, Franchisee must pay to Franchisor 50% of the amount the customer paid Franchisee. Franchisee shall report Gross Revenues from sales in an Adjacent Territory on a separate reporting form.

4.4 If Franchisor determines that Franchisee is unable or unwilling to handle a particular job, Franchisor reserves the right to assign that job to another Superior Fence & Rail, Inc.® franchisee, complete the job itself or hire a third party specialist to assist with the job without making any payment to Franchisee.

4.5 Under this Agreement, a "Territory" consists of a "Population Limit" of 400,000 people or more residing in a designated geographical location. Franchisor will use the most recent population information available in the U.S. Census Data, or other population statistical sources of Franchisor's choosing to determine populations. Franchisor reserves the right to change, modify, or delete the Population Limit in its sole discretion. Franchisee acknowledges and agrees that once the Territory has been established, it will not be changed regardless of any increase or decrease of the population in the Territory.

4.6 In order to maintain the Territory, during each calendar year following the Operational Start Date, as defined in Attachment A, Franchisee must attain a certain amount of Gross Revenues (the "Minimum Annual Sales Quota") as follows by Territory:

Calendar Year	Minimum Annual Sales Quota
Third Calendar Year	\$500,000
Fourth Calendar Year	\$750,000
Fifth Calendar Year through the Balance of the Initial Term and any Interim Period	\$1,000,000

There is no Minimum Annual Sales Quota for the first and second calendar year following the Operational Start Date. The first calendar year will begin on the Operational Start Date and end on December 31st immediately following the Operational Start Date. Franchisee's failure to satisfy the Minimum Annual Sales Quota may result in the reduction or elimination of Franchisee's Territory or the termination of this Agreement, in Franchisor's sole discretion. **THIS MINIMUM ANNUAL SALES QUOTA IS IN NO WAY INTENDED TO IMPLY THAT FRANCHISEE WILL EXPERIENCE GROSS REVENUES OF ANY PARTICULAR LEVEL.**

If Franchisee signs a Successor Franchise Agreement, Franchisee will be required to attain the Minimum Annual Sales Quota set forth therein. As of the date of this Agreement, Franchisor anticipates that the Minimum Annual Sales Quota under a Successor Franchise Agreement will be the highest Minimum Annual Sales Quota under its then-current form franchise agreement for new franchisees.

Franchisor has the right, however, to vary the Minimum Annual Sales Quota and how it is determined in any Successor Franchise Agreement Franchisee may sign.

4.7 In addition to the reserved rights outlined in Section 4.2 above, Franchisor and its Affiliates have the right to sell and enter into agreements with National Accounts, both inside and outside the Territory. Franchisee must participate in any national accounts program (the “National Accounts Program”) Franchisor designates, and comply with the terms of the National Accounts Program as described in the Manual or as Franchisor otherwise describes in writing. Franchisee understands that Franchisor will establish the rules under which Franchisee will participate, and be compensated for participation, in the National Accounts Program and that Franchisor may terminate, modify or replace the National Accounts Program at any time. Franchisee must pay Franchisor any then-current fees associated with the National Accounts Program. If a National Account contacts Franchisee directly, Franchisee must refer the National Account to Franchisor or its designee. Franchisor will negotiate all contracts with National Accounts and Franchisee will not have any right to negotiate any contract or provide services to the National Account without Franchisor’s express written consent.

5. FEES

5.1 Franchisee shall pay the sum described on Attachment A plus, if due and payable, all applicable federal, state or municipal taxes, as a non-recurring initial franchise fee (“Initial Franchise Fee”) to Franchisor upon the execution of this Agreement. The Initial Franchise Fee shall be paid by means of cashier’s check, money order or wire transfer. The Initial Franchise Fee shall be deemed to have been fully earned by Franchisor when paid. The Initial Franchise Fee is non-refundable once paid except as provided for in Section 5.2.

5.2 The Initial Franchise Fee will be non-refundable unless Franchisor terminates the Agreement because Franchisee failed, after diligent pursuit using all commercially reasonable efforts as determined in Franchisor’s sole discretion, to obtain the applicable permits and licenses required by the state and local government applicable to its Territory within 6 months. Franchisor shall notify Franchisee in writing that it is exercising its right to terminate the Agreement pursuant to this Section 5.2, in which case 50% of the Initial Franchise Fee shall be refunded to Franchisee within 30 days of Franchisor’s notice of termination to Franchisee.

5.3 For a period of 24 months beginning on the Operational Start Date (as defined in Attachment A), Franchisee shall pay to Franchisor a monthly branding royalty fee based on calendar year-to-date Gross Revenue (“**Monthly Branding Royalty**”) as described in the table below.

Year-to-Date Gross Revenue	Monthly Branding Royalty Percentage
\$0 - \$1,999,999	6%
\$2,000,000 - \$3,999,999	5%
\$4,000,000 and above	4%

Beginning on the 24-month anniversary of the Operational Start Date, the Monthly Branding Royalty payable to Franchisor will be equal to the greater of: (a) the amount described in the table above based on annual Gross Revenue; or (b) \$1,000.

5.4 The Monthly Branding Royalty shall be payable to Franchisor on or before the 10th day of each month and shall be payable through the entire Initial Term of this Agreement and any Interim Period. If Franchisee signs a Successor Franchise Agreement, Franchisee will be required to pay the

Monthly Branding Royalty set forth therein. Franchisor has the right to vary the Monthly Branding Royalty and how it is determined in any Successor Franchise Agreement Franchisee may sign. Franchisee shall pay the Monthly Branding Royalty monthly or in such other frequency as Franchisor may in its sole discretion require upon written notice to Franchisee by Franchisor. Franchisee shall not subordinate to any other obligation its obligation to pay the Monthly Branding Royalty or any other fee or charge hereunder. Each Monthly Branding Royalty payment will be accompanied by a report as set forth in Section 5.4(a).

(a) Each Monthly Branding Royalty payment shall be, without exception, accompanied by a statement of the previous month's Gross Revenues on a form approved and provided to Franchisee by Franchisor. Each failure to include a fully completed statement of the previous month's Gross Revenues with the Monthly Branding Royalty payable to Franchisor when due shall constitute a material breach of this Agreement.

(b) Franchisor reserves the right to require Franchisee to remit fees and other amounts due to Franchisor hereunder via electronic funds transfer ("EFT") or other similar means utilizing a Franchisor approved computer system or otherwise. The EFT Authorization is attached to the Franchise Agreement as Attachment D. If Franchisor notifies Franchisee to use such payment method, Franchisee agrees to comply with procedures specified by Franchisor and/or perform such acts and deliver and execute such documents, including authorization for direct debits from Franchisee's business bank operating account, as may be necessary to assist in or accomplish payment by such method. Under this procedure Franchisee shall authorize Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to Franchisor and any interest charged due thereon. Franchisee shall make funds available to Franchisor for withdrawal by electronic transfer no later than the due date for payment therefor. If there are insufficient funds in Franchisee's account to collect amounts due by a transfer of funds on the due date, or if a withdrawal is otherwise rejected for any reason, Franchisee must pay Franchisor any fees and expenses Franchisor incurs, as well as Franchisor's then-current service charge to compensate Franchisor for its increased administrative and management costs in connection with such failed withdrawal.

If Franchisee has not timely reported the Gross Revenues to Franchisor for any reporting period, then Franchisor shall be authorized, at Franchisor's option, to debit Franchisee's account in an amount equal to the Monthly Branding Royalty and the National Branding & Marketing Fee.

5.5 Franchisee must pay Franchisor the then-current technology fee as described in the Manual, for access to Franchisor's designated technology package, including certain software licenses. As of the date of this Agreement, the technology fee is equal to \$250 per month. The technology package includes one license for certain software, and Franchisee must pay Franchisor or its designated third party supplier the then-current per license monthly fee if Franchisee requests additional licenses (currently, \$125 per additional license). In addition, Franchisee must pay Franchisor or its designated third party supplier all initial software license fees for any software Franchisee is required to use in the operation of its Business as prescribed by Franchisor. Franchisor may change these fees at any time upon 30 days' written notice. Contemporaneous with the execution of this Agreement, Franchisee must execute the Software License Agreement attached as Attachment I to this Agreement.

6. ACCOUNTING, RECORDS, AUDITS AND LATE PAYMENT CHARGES

6.1 Franchisee shall keep such complete records of its Business as a prudent and careful businessperson would normally keep. Franchisee must use the accounting system and all forms Franchisor requires, if any. Franchisee shall keep its financial books and records as Franchisor may from time to time direct in the Manual or otherwise, including retention of all invoices, order forms, payroll records, cash register tapes, check records, bank deposit receipts, sales tax records, refunds, cash disbursements, journals and general ledgers. Franchisee shall advise Franchisor of the location of all original documents and shall not destroy any records without the written consent of Franchisor.

6.2 Franchisee shall prepare on a current basis, complete and accurate records concerning all financial, marketing and other operating aspects of the Business conducted under this Agreement. Franchisee shall maintain an accounting system which accurately reflects all operational aspects of the Business including uniform reports as may be required by Franchisor. Franchisee's records shall include tax returns, daily reports, statements of Gross Revenues, profit and loss statements, sales tax information and balance sheets. During the first two full years of operations, Franchisee must use a bookkeeping service or platform approved by Franchisor.

6.3 Franchisee shall furnish to Franchisor such reports as Franchisor may require from time to time. Franchisee grants Franchisor the right to disclose all financial data submitted to Franchisor. Without limiting the generality of the foregoing, Franchisee shall furnish to Franchisor in the form Franchisor requires periodically (which will include a chart of accounts prescribed by Franchisor) and together with such detail and breakdown and copies of supporting records as Franchisor may from time to time require:

(a) within ten (10) days after the end of each month, beginning with January 1st, a balance sheet and profit and loss statement for the Business for the preceding month;

(b) within thirty (30) days after the end of each fiscal year of the Business, financial statements for the Business, including a balance sheet, profit and loss statement, a change in cash position statement and a statement of retained earnings for such period; and

(c) within thirty (30) days of April 15th of each year, a true copy of all tax returns, schedules and reports filed by Franchisee for income, corporate, sales tax, employer health tax, or workers compensation purposes.

6.4 Franchisee shall also submit to Franchisor a copy of its financial statements and other reports as Franchisor may reasonably request to evaluate or compile research and performance data on any operational aspect of the Business. Franchisee shall submit proof of its Individual Advertising Investment (as defined in Section 11.1), in the format required by Franchisor, on a monthly basis.

6.5 The records required under this Section 6 pertain only to Franchisee's operation of the Business. Franchisor has no right to inspect, audit or copy the records of any unrelated business activity Franchisee may have. Franchisee shall keep the books and records of the Business separate from the records of any unrelated business activity or personal activity.

6.6 From the date Franchisee and Franchisor sign this Agreement until 3 years after the end of the Initial Term of this Agreement including any Interim Period, Franchisor or Franchisor's authorized agent shall have the right to request, receive, inspect and audit any of the records referred to above wherever they may be located. Franchisor agrees to do inspections and audits at reasonable times. Franchisee agrees to keep all records and reports for 6 years from the date such records are created. Should any inspection or audit disclose a deficiency in the payment of any Monthly Branding Royalty, National Branding & Marketing Fee (as defined in Section 11.5) or other amounts required to be paid under this Agreement, Franchisee shall immediately pay the deficiency to Franchisor, without prejudice to any other remedy of Franchisor under this Agreement. In addition, if the deficiency for any audit period discloses a deficiency in the amount of any Monthly Branding Royalty, National Branding & Marketing Fee or other amounts due by 2% or more, Franchisee will also immediately pay to Franchisor the entire cost of the inspection or audit including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel. For the purposes of this Section 6.6, an audit period will be each fiscal year. Should the audit disclose an overpayment of any Monthly Branding Royalty, National Branding & Marketing Fees, or other amounts due, Franchisor shall credit the amount of the overpayment to Franchisee's payments of Monthly Branding Royalty, and National Branding & Marketing Fees next falling due.

6.7 To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments Franchisee shall also pay, upon demand, a late interest charge equal to the lesser of (i) 1.5% per month; or (ii) the highest legal rate permitted by applicable law, whichever is lower, on all payments due to Franchisor during the period of time said payments are due and unpaid. Each failure to pay Monthly Branding Royalty, National Branding & Marketing Fees, and other amounts payable to Franchisor when due shall constitute a material breach of this Agreement. Franchisee acknowledges that this Section 6.7 shall not constitute Franchisor's agreement to accept such payments after same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of the Fencing Business. Further, Franchisee acknowledges that failure to pay all such amounts when due shall, notwithstanding the provisions of this Section 6.7, constitute grounds for termination of this Agreement, as provided in this Agreement.

6.8 Any report of Franchisor's auditor rendered from time to time pursuant to this Section 6, shall be final and binding upon all of the parties hereto.

6.9 Franchisee hereby authorizes Franchisor to make reasonable inquiries of Franchisee's bank, suppliers and trade creditors concerning the Business and hereby directs such persons and companies to provide to Franchisor such information and copies of documents pertaining to the Business as Franchisor may request.

6.10 Franchisee acknowledges and agrees that Franchisor owns all business records and databases, whether in print, electronic or other form, related to the Fencing Business ("**Business Records**") including, without limitation, Customer Data (as defined in this Section 6.10 below) and all other Business Records Franchisee creates and maintains. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor has the right to access the Business Records, and to utilize, transfer, or analyze the Business Records as Franchisor determines to be in the best interest of the System, in its sole discretion. "**Customer Data**" means lists of all former, current or prospective customers and referral sources as well as all other data, information and materials Franchisor or Franchisee collect or receive from, or which relate to, these individuals, including, without limitation, their names, addresses, telephone numbers, e-mail addresses and customer purchase records. Franchisor has the right to contact Franchisee's former and current customers to ascertain their level of satisfaction. Franchisor hereby grants Franchisee a

license to use the Business Records during the term of this Agreement. Franchisee may not use the Business Records for any purpose whatsoever other than in the normal conduct of the Fencing Business, and may not sell, loan or give the Business Records, including, without limitation, Customer Data, to anyone without Franchisor's prior written permission. Further, Franchisor has the right to periodically establish other policies respecting Franchisee's use of the Business Records during the term of this Agreement. Upon termination or expiration of this Agreement, Franchisee must promptly deliver to Franchisor all Business Records in Franchisee's possession, including, without limitation, all Customer Data, without retaining any copies of the Business Records, including, without limitation, any hard or electronic copies.

6.11 To encourage prompt delivery of all Business Records, Certificates of Insurance, Gross Revenue statements and any other documentation or record that may be requested by Franchisor under this Agreement, Franchisee shall pay, upon demand, a late report fee in the amount of \$100 per record or document requested if Franchisee fails to deliver such record or document when due.

6.12 If Franchisee remits the Monthly Branding Royalty or any other sums due to Franchisor under this Agreement with a check returned for non-sufficient funds more than one time in any calendar year, in addition to all other remedies which may be available, Franchisor shall have the right to require that Monthly Branding Royalty payments and any other sums due to Franchisor under this Agreement be made by certified or cashier's checks. If Franchisee fails to remit the Monthly Branding Royalty or any other sums due to Franchisor under this Agreement by the due date 2 times during the Initial Term or any Interim Period, in addition to all other remedies which may be available, Franchisor reserves the right to require, in its sole discretion, that Franchisee remit the Monthly Branding Royalty or any other sums due to Franchisor under this Agreement weekly.

6.13 Franchisee agrees that, during the Initial Term, any Interim Period, and for 3 years after the expiration and termination of this Agreement, Franchisee shall provide Franchisor with Franchisee's home (or business location, if other than Franchisee's home) address and telephone number.

7. GUIDANCE, COACHING AND ASSISTANCE

7.1 The Initial Franchise Fee and Monthly Branding Royalty are paid for the License, which includes the use of the Marks, the System and the use of Franchisor's Trade Secrets and Confidential Information provided pursuant to this Agreement and for certain services rendered by Franchisor.

7.2 Franchisor shall offer Franchisee initial and continuing guidance, coaching and assistance, as Franchisor deems necessary or advisable in furthering Franchisee's Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of Franchisor. Failure by Franchisor to provide any particular guidance, coaching or assistance, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement.

7.3 Currently, initial guidance, coaching and assistance provided by Franchisor prior to Franchisee opening the Business shall include:

(a) Reviewing information that Franchisee provides to Franchisor relating to the proposed site of its Office and Storage Facility, and provide Franchisee with input on the location. While Franchisor reserves the right to approve or disapprove the proposed Office and Storage Facility, Franchisee is solely responsible for selecting the Office and Storage Facility. Once Franchisee has selected an approved location for its Office and Storage Facility, Franchisor will provide input on the design and construction of the location.

(b) Designating Franchisee's Territory as stipulated in Section 4 and **Attachment A**.

(c) Furnishing Franchisee with specifications for all initial and replacement equipment, tools, vehicles, inventory and supplies required for the operation of Franchisee's Business as stipulated in Section 9.

(d) Within 90 days of the mutual execution of this Agreement, providing Franchisee, or if Franchisee is an entity, a person designated to manage the Business ("**Designated Business Manager**") with an initial training program. The initial training program shall be in Florida, at Franchisor's facilities in Virginia, or another location designated by Franchisor. Training may include a discussion of the System, techniques, procedures, installation and methods of operation, advertising, sales techniques, promotional ideas, marketing plans, customer relations, information technology systems, instructions on quality standards, administrative practices and procedures, safety practices, accounting practices, and practical experience in the operation of an Fencing Business.

(e) Loaning Franchisee during the Initial Term (including any Interim Period) one copy of or providing electronic (Internet) access to Franchisor's confidential operating manual ("**Manual**") containing mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by Franchisor as further stipulated in this Section 7, and containing information relative to other obligations of Franchisee hereunder. Any required specifications, standards and operating procedures exist to protect Franchisor's interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those day-to-day operational matters that are reserved to Franchisee. Franchisee shall operate the Business strictly in accordance with the required specifications and standards identified in the Manual. Failure to comply with the required standards set forth in the Manual shall constitute a material breach of this Agreement. Franchisor reserves the right to provide the Manual and updates to the Manual in electronic form or other form determined by Franchisor. Franchisor shall have the right to modify the Manual from time to time to reflect changes in authorized Products and Services, business image or the operation of the Business. Some of the revisions to the Manual may include changes with respect to: (i) sales and marketing strategies; (ii) equipment and supplies; (iii) accounting and reporting systems and forms; (iv) insurance requirements; (v) operating procedures; (vi) required technology; (vii) Services; and (viii) Products.

(i) Franchisee covenants to accept, implement and adopt any such modifications at its own cost, except as provided in Section 8.5 of this Agreement. Franchisee shall keep its Manual with replacement pages and insertions as instructed by Franchisor.

(ii) Franchisee hereby acknowledges that the Manual is loaned to Franchisee and shall at all times remain the sole and exclusive property of Franchisor, and upon termination of this Agreement for any reason whatsoever, Franchisee shall forthwith return the Manual together with all copies of any portion of the Manual which Franchisee may have made, to Franchisor.

(f) Providing Franchisee with the arts graphics package suitable for letterhead, business cards and other start-up materials which will be purchased at Franchisee's expense.

(g) At Franchisor's sole discretion, Franchisor may provide pre-opening and ongoing assistance during the first season of operations of Franchisee's Business.

7.4 Currently, the guidance, coaching and assistance provided by Franchisor to Franchisee after Franchisee opens the Business shall include:

(a) Make a representative reasonably available to speak with Franchisee on the telephone during normal business hours, as Franchisor determines is necessary, to discuss Franchisee's operational issues and support needs.

(b) Holding periodic conference calls, meetings or conferences to discuss sales techniques, new Product or Service developments, field operations, bookkeeping, training, accounting, inventory control, performance standards, advertising programs, merchandising procedures and other topics. Franchisee must pay a conference fee, if any, and all its travel and living expenses to attend. These elective conferences are held at Franchisor's Richmond, Virginia, headquarters or at a location chosen by Franchisor.

(c) Franchisor may also hold a mandatory annual conference to discuss sales techniques, new Service and Product developments, operations, marketing strategies and tactics, training, bookkeeping, accounting, performance standards, advertising programs, merchandising procedures, or other topics. Franchisee must pay the conference fee, if any, which Franchisor may collect on a month basis or otherwise, and all personal travel and living expenses. These mandatory annual conferences are held at Franchisor's Richmond, Virginia, headquarters or at a location chosen by Franchisor.

(d) Informing Franchisee of mandatory specifications, standards and procedures for the operations of the Fencing Business.

(e) Researching new Products, Services and methods, from time to time and in Franchisor's sole discretion, and providing Franchisee with information concerning developments of this research.

(f) Maintaining the National Branding & Marketing Fund and using these funds to develop promotional brand awareness and advertising programs for Fencing Businesses.

(g) Providing access to advertising materials to Franchisee in the form of a graphics package included in the Manual and as further stipulated in Section 11.

(h) Franchisor may require that Franchisee or Franchisee's Designated Business Manager attend all supplemental and refresher training programs that Franchisor designates. Franchisor may charge Franchisee a reasonable fee for any supplemental and refresher training programs. Franchisee must pay the then-current fee for such training programs, if any, and all personal travel and living expenses.

(i) A representative of Franchisor may, in its sole discretion, provide additional assistance as it deems necessary.

7.5 If Franchisee believes Franchisor has failed to adequately provide pre-opening guidance, coaching and assistance to Franchisee as provided in this Agreement, including Sections 7.3 and 7.4,

Franchisee shall notify Franchisor in writing within 30 days following the opening of the Business. Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening guidance, coaching and assistance required to be provided by Franchisor were sufficient and satisfactory in Franchisee's judgment.

7.6 Franchisor is not obligated to perform guidance, coaching and assistance set forth in this Agreement to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge and judgment. Franchisor does not represent or warrant that any other guidance, coaching and assistance will be provided to Franchisee, other than as set forth in this Agreement. To the extent any other guidance, coaching or assistance, or any specific level or quality of guidance, coaching or assistance is expected, Franchisee must obtain a commitment to provide such guidance, coaching or assistance, or level or quality of guidance, coaching or assistance in writing signed by an authorized officer of Franchisor, otherwise Franchisor shall not be obligated to provide any other guidance, coaching or assistance, or specific level or quality of guidance, coaching and assistance.

8. FRANCHISEE'S DUTIES, OBLIGATIONS AND OPERATING STANDARDS

8.1 Franchisee shall, consistent with the terms of this Agreement, diligently develop the Business and use its best efforts to market and promote the required Services and Products.

8.2 Subject to the terms of this Agreement, including Section 7.3, during the Initial Term and any Interim Period, Franchisee shall strictly comply with all mandatory standards, specifications, processes, procedures, requirements, and instructions of Franchisor regarding the operation of the Business and must comply with the following requirements:

(a) Prior to opening the Business, Franchisee must locate and lease or acquire an Office and Storage Facility located within the Territory that complies with our then-current standards and specifications for an Office and Storage Facility. Franchisee is solely responsible for locating an approved location for its Office and Storage Facility, as well as for the design and construction or renovation of the premises.

(b) If Franchisee signed this Agreement as an individual(s), Franchisee must transfer this Agreement to a wholly-owned corporation or limited liability company pursuant to Section 15.8 of this Agreement before it begins operating the Business. Franchisee must remain a corporation or limited liability company, as applicable, in good standing under local law for the entire term of this Agreement. Prior to beginning operations, Franchisee must: (i) deliver proof of a valid and active business checking account in its business entity name with a reputable banking institution; and (ii) obtain a valid federal employer identification number for the business entity. Franchisee must provide corporate documents and other proof of compliance with the above requirements immediately upon request.

(c) Prior to opening the Business, Franchisee or Franchisee's Designated Business Manager must attend and successfully complete all initial training programs. There is no fee for the initial training programs. Franchisee shall be responsible for travel, meals, personal expenses and living expenses incurred by itself, the Designated Business Manager, and additional persons that participate in the initial training program.

(d) Franchisee or its Designated Business Manager must attend mandatory annual conferences at such locations as Franchisor may reasonably designate, and Franchisee will pay all salary and other expenses of persons attending, including any conference fees, travel expenses, meals, living expenses and personal expenses.

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(e) Subject to Section 8.5, any additional required Service or Product introduced into the System by Franchisor must be offered for sale on a continuing basis at the Business at the time and in the manner required by Franchisor. Franchisor will provide at least 30 days prior written notice of any new required Service or Product introduced into the System. All equipment, products, supplies, tools and other items necessary to add the newly required Services or Products must be acquired, installed, and utilized at the time and in the manner required by Franchisor. The marketing of new Services and Products must begin at the Business as reasonably required by Franchisor.

(f) No service or product, except approved Services or Products, may be offered for sale from the Territory, unless Franchisee receives the prior written consent of Franchisor (which may be granted or denied in Franchisor's sole discretion).

(g) Only advertising and promotional materials, services, equipment, tools, inventory, products, signage, supplies, and uniforms that meet Franchisor's standards and specifications shall be used at the Business. Advertising and promotional materials, tools, services, equipment, inventory, products, signage, supplies and uniforms produced or approved by Franchisor for use by Franchisee may be used only in the manner and during the period specified by Franchisor.

(h) Equipment, tools, Services, Products, inventory, supplies, signage, uniforms and other items must be added, eliminated, substituted and modified at the Business as soon as possible in accordance with changes in Franchisor's specifications and requirements.

(i) The Business and everything related to the Business must be maintained in good condition and must be kept clean, neat and sanitary. All maintenance, repairs and replacements reasonably requested by Franchisor or needed in connection with the Business must be promptly made. All employees must be clean and neat in appearance.

(j) No alterations of the Business materially affecting the image of the Business may be made except at Franchisor's request or approval, and any alterations must strictly conform to specifications and requirements established or approved by Franchisor.

(k) The Business and the Services provided and Products sold by Franchisee must comply with all applicable federal, state, and local laws, ordinances, rules and regulations. Franchisee must obtain all business licenses and permits required by federal, state and local laws, ordinances, rules and regulations. If Franchisee does not qualify for those business licenses and permits required by state and local laws, ordinances, rules and regulations, before operating its Business, Franchisee must either: (i) obtain the ability to work under Franchisee's employee's or minority owner's license and/or permits; or (ii) at Franchisor's option, work under Franchisor's or its designee's license and/or permits. If Franchisee does not obtain all required permits and licenses necessary to operate its Business within 6 months after meeting the experience qualifications to obtain such permit or license, Franchisor may terminate this Franchise Agreement. During any time that Franchisee works under Franchisor's or its designee's license and/or permit, it must: (I) pay Franchisor the then-current monthly license fee; and (II) use a third party professional services organization that will be responsible for handling Franchisee's payroll and to assist Franchisee with its obligation to comply with various applicable state employment laws.

(l) The equipment, tools, supplies, inventory, products, and other items on hand at the Business, must be at all times sufficient to efficiently meet the anticipated volume of business.

(m) The payment of all debts and taxes arising in connection with the Business, except those duly contested in a bona fide dispute, must be paid when due.

(n) Franchisee will use its best efforts to ensure customer satisfaction; use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; respond to customer complaints in a courteous, prompt and professional manner; use its best efforts to promptly and fairly resolve customer disputes in a mutually agreeable manner; and take such actions as Franchisor deems necessary or appropriate to resolve customer disputes.

(o) Franchisee will provide to Franchisee's customers a warranty on all Products and Services used in Franchisee's Fencing Business that Franchisor requires as described in the Manual.

(p) Franchisee shall accept all major credit cards and other the forms of payment specified by Franchisor in the Manual as payment.

(q) Franchisee shall comply with all terms and pay all fees that may be due under any software license agreement (including those under Attachment I to this Agreement) for any software Franchisee is required to use in the operation of its Business as prescribed by Franchisor.

(r) Franchisee shall comply with the advertising requirements set out in Section 11.

(s) Franchisee will not use any materials that are false or misleading or communicate anything to customers or prospective customers that is false or misleading.

(t) Franchisee will ensure that all advertising, labeling, packaging and other materials associated with the Services and Products fully conform to all applicable laws and regulations.

(u) Franchisee will control the quality of the Services and Products to avoid quality problems or product liability claims that could reflect adversely on Franchisee or Franchisor in the minds of consumers.

(v) Franchisee must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Business and must operate the Business in full compliance with all applicable laws, ordinances and regulations including consumer protection laws, and labor and employment laws. Franchisee must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies Franchisor periodically may establish. Franchisee must notify Franchisor in writing within five (5) days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, injunction, award of decree, by any court, agency, or other governmental instrumentality that may adversely affect the operation or financial condition of Franchisee or the Business. Franchisee must notify Franchisor immediately of any suspected data breach at or in connection with the Business. Franchisee will

not conduct any business or advertising practice which injures Franchisor's business, the System or the goodwill associated with the Marks and other Superior Fence & Rail, Inc.® businesses. Franchisee will control the quality of the Services and Products to avoid quality problems or product liability claims that could reflect adversely on Franchisee or Franchisor in the minds of consumers.

(w) Franchisee will be solely responsible to locate, interview, hire, schedule, supervise, compensate and discipline all employees of the Business and be exclusively responsible for all terms of their employment, compensation and other personnel-related matters without influence from Franchisor. Franchisee will implement a training program for Business employees and will maintain at all times a staff of trained employees sufficient to operate the Business in compliance with Franchisor's mandatory standards.

8.3 While Franchisor may prescribe standards, specifications, processes, procedures, requirements or instructions the Manuals or this Agreement, Franchisor shall not have control over the day-to-day managerial operations of the Business, or the specific manner and means by which Franchisee complies with Franchisor's mandatory standards and procedures. Franchisor may provide guidance to Franchisee regarding recommended prices to be charged for Services or Products, however, Franchisee shall be free to establish its own prices, subject to any maximum prices established by Franchisor.

8.4 Franchisor and Franchisor's representatives will have the right during business hours to inspect the Business and all other facilities used for service or storage, sale and transportation of any approved Products. Franchisor and Franchisor's representatives will have the right to observe the manner in which Franchisee is rendering its Services and conducting its operations of the Business. Franchisor and Franchisor's representatives will have the right to discuss with Franchisee, or other managerial personnel Franchisee may designate, all matters that may pertain to compliance with this Agreement and with Franchisor's standards, specifications, requirements, instructions and procedures and Franchisor may take photographs of Franchisee's completed work as it relates to the Business. Franchisor and Franchisor's representatives have the right to require that Franchisee demonstrate that the Business employees are properly trained in a manner sufficient to provide Services in compliance with Franchisor's standards and procedures. Franchisee shall in all respects cooperate with Franchisor's rights under this Section 8.4; provided that Franchisor's exercise of these rights shall not unreasonably interfere with Franchisee's conduct of the Business.

8.5 Franchisee will not be required to offer or sell new Services or Products as set out in Section 8.2(e) if Franchisee demonstrates to Franchisor's reasonable satisfaction that:

(a) A substantial capital improvement not contemplated by this Agreement or in the Manual is required, thereby resulting in a material hardship to a majority of Superior Fence & Rail, Inc.® franchisees; or

(b) A material reduction in a majority of Superior Fence & Rail, Inc.® franchisees' sales or profitability would result therefrom. For the purposes of this Section 8.5(b), a 33% decrease in sales from the average sales in the prior 12 months would be considered a material reduction in sales (subject to seasonal factors that may be applicable to the Territory), and a 20% reduction in profitability from the average profitability during the previous 12 months (subject to seasonal factors that may be applicable to the Territory) would be considered a material reduction in profitability based on a forecast developed by Franchisee in good faith and approved by Franchisor in its sole discretion.

8.6 Franchisor may require Franchisee's compliance with the provisions of this Section 8 even if it does not require such compliance by all franchisees.

8.7 Franchisee must nominate a Designated Business Manager having required experience who shall have direct responsibility for all operations of the Business. If Franchisee desires to change the Designated Business Manager, Franchisee must demonstrate to Franchisor's satisfaction that any replacement Designated Business Manager is trained and qualified to be responsible for all aspects of the Business.

8.8 Franchisee shall become a member of such trade associations or organizations which in the reasonable opinion of Franchisor are useful in the operation of the Business. Franchisee shall have the option to become a member of all benefit programs which are offered from time to time by Franchisor to all of its Franchisees. The costs of participating in such trade associations and benefit programs shall be borne by Franchisee and its employees (if applicable to the employees). Nothing in this Section 8.8 limits Franchisee's freedom to join any franchise or franchisees association of its choosing.

8.9 Franchisee shall at all times have sufficient computer skills to operate Franchisee's computer, understand how to utilize any software Franchisor requires to be used in the Business, and to access email and the Internet. If Franchisor determines that Franchisee requires additional computer training, Franchisor will notify Franchisee in writing regarding the nature of the additional training required, and Franchisee will have 90 days to complete such training at a local computer training school at Franchisee's sole cost and expense. At the end of the training program, Franchisee shall present a certificate reasonably acceptable to Franchisor establishing that Franchisee passed the training course. Franchisee's failure to seek additional training or to pass the course shall constitute a default of this Agreement.

8.10 Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems, and Franchisee waives any and all claims Franchisee may have against Franchisor as the direct or indirect result of such disruptions, failures or attacks. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

8.11 Franchisee shall acquire, maintain, and upgrade hardware, software, information processing and communication systems, and Internet and other network access providers, as prescribed in the Manual and as modified periodically by Franchisor. Franchisee shall comply with any separate software or other license agreements that Franchisor or its designee use in connection with the System. Franchisee shall utilize Franchisor's required software, and if established, proprietary database management and intranet system as the exclusive means for tracking and maintaining customer, vendor, and lead information, and for such other uses as prescribed by Franchisor periodically in the Manual. Monthly sales reporting may occur through mandatory software including the automatic draft via electronic transfer of Monthly Branding Royalty and National Branding & Marketing Fees.

8.12 ~~Franchisee must pay Franchisor an initial software licensing fee for its proprietary and designated software equal to \$2,500 prior to Franchisee attending the initial training program.~~ Franchisee

must also execute Attachment I to this Agreement contemporaneously with the execution of this Agreement and comply with its terms.

8.13 Franchisee shall at all times maintain an active email account and shall check the account at least once each day. If available, Franchisee shall maintain an email account on Franchisor's proprietary database management and intranet system.

8.14 Franchisee may not open its Business until: (1) the initial training program has been completed to Franchisor's satisfaction; (2) all amounts due to Franchisor have been paid; (3) Franchisor has been furnished with copies of all insurance policies and certificates required by Section 12, or other documentation of insurance coverage and payment of premiums that Franchisor may request; (4) Franchisee notifies Franchisor that all approvals and conditions set forth in this Agreement have been met; (5) Franchisee has obtained all necessary permits and licenses as set forth in this Agreement; and (6) Franchisee has ordered, received and installed all equipment, supplies, inventory, tools, products, uniforms and computer hardware and software required by Franchisor. Franchisee will begin operating the Business immediately after Franchisor determines that the Business is ready for opening.

9. PURCHASE OF EQUIPMENT, INVENTORY AND SUPPLIES

9.1 The standards and specifications for Franchisee's Products, Services, Office and Storage Facility, equipment, tools, vehicle, uniforms, inventory, supplies, forms, advertising materials, computer hardware and software, and other items required by Franchisor in connection with Franchisee's Business ("Required Items") shall be maintained in the Manual. Franchisor reserves the right to require Franchisee to purchase any or all Required Items from Franchisor's designated or approved suppliers, if one is so designated. The term "suppliers," also includes vendors, manufacturers and distributors. Franchisor has the right to require Franchisee to discontinue purchasing any Required Items from any supplier, and may appoint new designated or approved suppliers at any time in its sole discretion. In addition, Franchisor has the right, at any time and in its sole discretion, to designate Franchisor or one of its Affiliates as the only designated or approved supplier, or one of several designated or approved suppliers, of any of the Required Items.

9.2 Notwithstanding the terms of Section 3.1 or Section 15.7 of this Agreement, any general release to be executed by Franchisee upon the extension or transfer of the Franchise shall exclude from such release any claims Franchisee may have against Franchisor or its Affiliates, including without limitation claims for indemnification or contribution, arising out of or relating to injuries to, or loss of property of, third parties solely caused by products purchased by Franchisee from Franchisor or its Affiliates and used in providing Services to customers, and not otherwise attributable to the negligence or misconduct of Franchisee.

9.3 Franchisee acknowledges and agrees that Franchisor and its Affiliates have the right to collect rebates and other consideration from third party designated and approved suppliers as a result of Franchisee's purchases of Required Items, and that Franchisor and its Affiliates shall be entitled to keep for their own use and account such rebates and consideration. Franchisee further acknowledges and agrees that Franchisor and its Affiliates may also derive revenue or other consideration from Franchisee's purchases of Required Items from Franchisor or its Affiliates.

9.4 The names and addresses of Franchisor's designated and approved suppliers shall be maintained in the Manual. Franchisor has the right to approve all Required Items used in connection with Franchisee's Business.

10. MARKS, COPYRIGHTED WORKS AND OWNERSHIP OF IMPROVEMENTS

10.1 Franchisee acknowledges and agrees that:

(a) Franchisor's affiliate, Lynx IP, is the owner of all right, title and interest, together with all the goodwill of the Marks, and that Lynx IP has licensed the use of the Marks to Franchisor with the right to sublicense to others. Franchisee further acknowledges that the Marks designate the origin or sponsorship of the System, the Business, and the Products and Services, and that Franchisor desires to protect the goodwill of the Marks and to preserve and enhance the value of the Marks. In the event that Franchisee acquires any rights, title or interest in the Marks, Franchisee agrees to assign and hereby assigns all such rights, title or interest to Franchisor or Lynx IP, as requested by Franchisor.

(b) All right, title and interest in and to all materials, including but not limited to, all artwork and designs, created by Franchisor, and used with the Marks or in association with the Business ("**Copyrighted Materials**") are the property of Franchisor or its Affiliate. Additionally, all Copyrighted Materials created by Franchisee or any other person or entity retained or employed by Franchisee are works made for hire within the meaning of the United States Copyright Act and are the property of Franchisor or its Affiliate, who shall be entitled to use and license others to use the Copyrighted Materials unencumbered by moral rights. To the extent the Copyrighted Materials are not works made for hire or rights in the Copyrighted Materials do not automatically accrue to Franchisor or its Affiliate, Franchisee irrevocably assigns and agrees to assign to Franchisor and/or its Affiliates (as Franchisor directs), and their respective successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Materials, which Franchisee and the author of such Copyrighted Materials warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Copyrighted Materials from another person or entity necessary to ensure Franchisor's right in the Copyrighted Materials as required in this Section 10.1(b).

(c) Franchisee will never dispute, contest, or challenge, directly or indirectly, the validity or enforceability of the Marks or Copyrighted Materials or the ownership of the Marks or Copyrighted Materials by Franchisor and its Affiliates, nor counsel, procure, or assist anyone else to do the same, nor will it take any action that is inconsistent with the ownership of the Marks or Copyrighted Materials by Franchisor and its Affiliates, nor will it represent that it has any right, title, or interest in the Marks or Copyrighted Materials other than those expressly granted by this Agreement.

(d) Franchisor or an Affiliate may decide, in its sole and absolute discretion, to apply to register or to register any trademarks or copyrights with respect to the Services, Products and any other products and services and the Copyrighted Materials. Failure of Franchisor or an Affiliate to obtain or maintain in effect any such application or registration is not a breach of this Agreement. Franchisee will not, before or after termination or expiration of the Agreement, register or apply to register any of the Marks or any trademark, service mark or logo confusingly similar thereto or any Copyrighted Materials, anywhere in the world.

(e) Upon Franchisor's request, Franchisee will cooperate fully, both before and after termination or expiration of this Agreement and at Franchisor's expense, in confirming, perfecting, preserving, and enforcing the rights of Franchisor and its Affiliates in the Marks and Copyrighted Materials, including but not limited to, executing and delivering to Franchisor such

documents as Franchisor reasonably requests for any such purpose, including but not limited to, assignments, powers of attorney, and copies of commercial documents showing sale and advertising of the Services and Products and other products and services. Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact for the purpose of executing such documents.

(f) All usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall inure to the exclusive benefit of Franchisor or Lynx IP. This Agreement does not confer any goodwill or other interests in the Marks to Franchisee upon expiration or termination of the Agreement.

(g) FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS OR COPYRIGHTED MATERIALS.

10.2 Franchisee acknowledges and agrees that:

(a) Franchisee's right to use the Marks and Copyrighted Materials are derived solely from this Agreement. Franchisee may only use the Marks and Copyrighted Materials in its operation of the Business and only in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor in the Manual and elsewhere from time to time during the Initial Term and any Interim Period. Franchisee will make every effort consistent to protect, maintain, and promote the Marks as identifying the System and only the System.

(b) Any unauthorized use of the Marks or Copyrighted Materials by Franchisee constitutes a breach of this Agreement and an infringement of the rights of Franchisor and in and to the Marks and Copyrighted Materials.

(c) Franchisee will not use any Marks or portion of any Marks as part of a corporate or trade name, or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee shall obtain such fictitious or assumed name registrations as may be required by Franchisor or under applicable law.

(d) In order to preserve the validity and integrity of the Marks and Copyrighted Materials licensed herein and to assure that Franchisee is properly employing the same in the operation of its Business, Franchisor or its agents shall have the right of entry and inspection of Franchisee's Business and operating procedures pursuant to Section 8.4.

(e) Franchisee will safeguard and maintain the reputation and prestige of the Marks and Copyrighted Materials and will not do anything that would tarnish the image of or adversely affect the value, reputation or goodwill associated with the Marks. Franchisee will not do anything that would dilute, directly or indirectly, the value of the goodwill attached to the Marks, nor counsel, procure or assist anyone else to do the same.

(f) Franchisee will use the Marks and Copyrighted Materials only in lettering, logos, print styles, forms, and formats, including but not limited to, advertising and promotional materials, invoices, signage, business checks, business cards, invoices, stationery, and promotional items such as clothing, pens, mugs, etc., which have been approved by Franchisor in

accordance with this Agreement, and promptly follow instructions regarding the Marks and Copyrighted Materials as provided in the Manual and otherwise given by Franchisor from time to time.

(g) Franchisee will use the following copyright notice at least once on each piece of advertising, promotional, or other material used in connection with the Products and Services:

© (year of first publication). SUPERIOR FENCE AND RAIL FRANCHISOR, LLC, All Rights Reserved.

(h) Franchisee will use the Marks with a superscript “®”, ™ or “SM”, as specified by Franchisor, unless and until advised by Franchisor to use a different notice.

10.3 Franchisee acknowledges and agrees that:

(a) If, in Franchisor’s reasonable determination, the use of Marks or Copyrighted Materials in connection with the Services, Products, other products and services or the Business will infringe or potentially infringe upon the rights of any third party, weakens or impairs the rights of Franchisor or its Affiliates in the Marks or Copyrighted Materials, or it otherwise becomes advisable at any time in the sole discretion of Franchisor or its Affiliates for Franchisor to modify or discontinue use of the Marks or Copyrighted Materials, then upon notice from Franchisor, Franchisee will immediately terminate or modify such use in the manner prescribed by Franchisor. Franchisor may require Franchisee to use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols or copyrighted materials. Franchisor shall reimburse Franchisee for the tangible cost of compliance with this requirement (such as the cost of printing new letterhead and business cards), but Franchisee will have no rights of damages, offset, or right to terminate this Agreement as a result thereof and Franchisor and its Affiliates shall have no liability or obligation whatsoever with respect to Franchisee’s modification or discontinuance of any Marks or Copyrighted Materials.

(b) Franchisee shall notify Franchisor within 3 days after receiving notice of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof or the Copyrighted Materials. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks or Copyrighted Materials, Franchisor and its Affiliates shall have the sole right, but not the duty, to defend any such action. Franchisor and its Affiliates shall have the exclusive right to contest or bring action against any third party regarding the third party’s use of any of the Marks or Copyrighted Materials and shall exercise such right in the sole discretion of Franchisor and its Affiliates. Franchisor and its Affiliates shall control all actions but not be obligated to take any action. In any defense or prosecution of any litigation relating to the Marks, Copyrighted Materials or components of the System undertaken by Franchisor and its Affiliates, Franchisee shall cooperate with Franchisor and its Affiliates, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of Franchisor’s counsel, to carry out such defense or prosecution. At the option of Franchisor or an Affiliate, Franchisee will join in any action, in which case Franchisor shall bear all the out-of-pocket costs of Franchisee for such participation. If Franchisee joins in an action, then the recovery, if any, from such legal action shall be first applied to the total expenses associated therewith and then split equally between Franchisor and Franchisee.

10.4 All provisions of this Agreement applicable to the Marks and Copyrighted Materials apply to any and all additional trademarks, service marks, commercial symbols and copyrighted materials authorized for use by and licensed to Franchisee by Franchisor after the date of this Agreement.

10.5 If Franchisee during the Initial Term of the Agreement or any Interim Period, conceives or develops any improvements or additions to the System, Copyrighted Materials, website or any other documents or information pertaining to or relating to the System or the Business, or any new trade names, trade and service marks, logos, or commercial symbols related to the Business or any advertising and promotional ideas or inventions related to the Business (collectively, the “**Improvements**”) Franchisee shall fully disclose the Improvements to Franchisor, without disclosure of the Improvements to others, and shall obtain Franchisor’s written approval prior to using such Improvements. Any such Improvement may be used by Franchisor, its Affiliates and all other franchisees without any obligation to Franchisee for royalties or other fees. Franchisee shall assign and does hereby assign to Franchisor, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. Franchisor and its Affiliates, at Franchisor’s discretion, may make application for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and Franchisee shall cooperate with Franchisor and its Affiliates, in securing such rights. Franchisor may also consider such Improvements as the property and Trade Secrets of Franchisor and its Affiliates. In return, Franchisor and its Affiliates shall authorize Franchisee to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees.

11. ADVERTISING AND PROMOTION

11.1 Franchisee acknowledges that local marketing, promotion and advertising are required to advise the public of the Business. During each calendar year, Franchisee will spend a minimum of \$40,000 on promotional advertising within the Territory (“**Individual Advertising Investment**”). If Franchisee operates in two contiguous territories, Franchisee must spend a total of \$60,000 on promotional advertising within the two contiguous territories, and Franchisee must spend an additional \$20,000 on promotional advertising for each additional contiguous territories. The first calendar year will begin on the Operational Start Date and end on December 31st immediately following the Operational Start Date. During the first calendar year, your Individual Advertising Investment will be pro-rated. Franchisee may not advertise outside its Territory without Franchisor’s approval, which may be granted or withheld in Franchisor’s discretion.

11.2 During the Initial Term and any Interim Period, Franchisee shall furnish each month, and upon Franchisor’s request, to Franchisor an accounting of Franchisee’s previous month’s expenditures for advertising and promotion on a form approved by Franchisor. Franchisor has the right, but not the obligation, once Franchisee commences operations, to collect up to the minimum required Individual Advertising Investment from Franchisee and administer it on marketing and advertising investments in Franchisee’s Territory on Franchisee’s behalf.

11.3 Franchisor will make available to Franchisee all advertising and promotion materials for the Business which are used by Franchisor and other Superior Fence & Rail, Inc.® franchisees. Franchisee may not develop advertising materials for use in the Business without Franchisor’s approval. If Franchisor approves the advertising materials prepared by Franchisee, Franchisor may make available to other franchisees such advertising and promotion materials. Franchisee must pay duplication costs of any advertising or promotion material provided by Franchisor.

11.4 Franchisor has formed a national branding and marketing fund (“**National Branding & Marketing Fund**”). Beginning on the Operational Start Date, Franchisee shall pay to Franchisor a

monthly national branding and marketing fee equal to 1% of Gross Revenue (“**National Branding & Marketing Fee**”). The National Branding & Marketing Fee shall be payable to Franchisor on or before the 10th day of each month. If Franchisee signs a Successor Franchise Agreement, Franchisee will be required to pay the National Branding & Marketing Fee set forth therein. Franchisor has the right, however, to vary the National Branding & Marketing Fee and how it is determined in any Successor Franchise Agreement Franchisee may sign. No action taken by Franchisor shall diminish Franchisee’s obligations to pay the National Branding & Marketing Fee to the National Branding & Marketing Fund. The National Branding & Marketing Fee is in addition to Franchisee’s obligations in Section 11.1.

11.5 Advertising materials and services will be provided to Franchisee through the National Branding & Marketing Fund. Franchisor may occasionally provide for placement of advertising on behalf of the entire System, including franchisees, or on behalf of a particular region, that may not include Franchisee, through the National Branding & Marketing Fund. Franchisor reserves the right to use the National Branding & Marketing Fee from the National Branding & Marketing Fund to place advertising in national media or regional media (including broadcast, print, Internet or other media) in the future. Franchisee acknowledges that the National Branding & Marketing Fund is intended to maximize the general brand recognition of the System. Franchisor is not obligated to expend National Branding & Marketing Funds on Franchisee’s behalf or benefit or expend National Branding & Marketing Funds equivalent or proportionate to Franchisee’s National Branding & Marketing Fees on Franchisee’s behalf or benefit.

11.6 National advertising, public relations, and promotions will be started and continued by Franchisor, when, in Franchisor’s sole discretion, Franchisor deems that it has accumulated sufficient moneys for that purpose. The National Branding & Marketing Fund will be used to promote the System, Services and/or Products sold by the franchisees and will not be used to sell additional franchises. Franchisor’s accounting and marketing personnel or a representative designated by Franchisor will administer the National Branding & Marketing Fund. The National Branding & Marketing Fund will collect National Branding & Marketing Fees from all franchisees. All payments to the National Branding & Marketing Fund must be spent on advertising, public relations, market research, promotion, marketing of goods and services provided by Franchisor, outside vendors, including but not limited to marketing agencies, and administration of the National Branding & Marketing Fund, including but not limited to, salaries, overhead, administrative, accounting, collection and legal costs and expenses. The National Branding & Marketing Funds will be maintained by Franchisor in a separate account. An annual unaudited financial statement of the National Branding & Marketing Fund, at the expense of the National Branding & Marketing Fund, will be available 120 days after Franchisor’s fiscal year end to Franchisee for review once a year upon request.

11.7 The National Branding & Marketing Fees collected by the National Branding & Marketing Fund are non-refundable. The National Branding & Marketing Fund may be terminated at any time by Franchisor, in its sole discretion. In the event that the National Branding & Marketing Fund is terminated, any remaining balance in the National Branding & Marketing Fund will be expended as provided for in Section 11.7 or returned to Franchisee on a pro-rata basis.

11.8 Franchisee shall fully participate in all such promotional campaigns, prize contests, special offers, and other programs, national, regional, or local in nature (including the introduction of new Services, Products, new franchises or other marketing programs directed or approved by Franchisor), which are prescribed from time to time by Franchisor. Franchisee shall be responsible for the costs of such participation. In addition, Franchisee shall honor any coupons, gift certificates or other authorized promotional offers of Franchisor at Franchisee’s sole cost unless otherwise specified in writing by Franchisor. Franchisee will maintain an adequate supply of marketing brochures, pamphlets

and promotional materials as may be required by Franchisor from time to time. The cost for such participation will be applied to Franchisee's Individual Advertising Investment obligations set forth in Section 11.1.

11.9 Franchisor (and any designee of Franchisor) will have no direct or indirect liability or obligation to Franchisee or the National Branding & Marketing Fund or otherwise with respect to the management, maintenance, direction, administration or otherwise of the National Branding & Marketing Fund. Franchisee and Franchisor agree that their rights and obligations with respect to the National Branding & Marketing Fund and all related matters are governed solely by this Agreement and neither this Agreement or the National Branding & Marketing Fund creates a trust, fiduciary relationship, or similar arrangement.

12. INSURANCE AND INDEMNITY

12.1 Franchisee must comply with the following insurance requirements:

(a) Franchisee shall, upon commencement of the Initial Term, purchase and at all times maintain in full force and effect during the Initial Term and any Interim Period, insurance policies, in such amounts and on such terms as prescribed below or in the Manual, issued by one or more insurance companies acceptable to Franchisor.

(b) All insurance policies shall name Franchisor and its parent, Outdoor Living Brands, Inc., their affiliates and such other parties as Franchisor may designate, as additional insureds. Coverage for the additional insureds shall not be limited to claims of vicarious liability. In addition, the Franchisee's insurers shall endorse or otherwise amend the policies such that their policies: (a) are primary and non-contributory; (b) waive any right of subrogation as respects the additional insureds; and (c) provide the additional insureds 30 days' advance written notice of cancellation or other material change in coverage.

(c) Franchisee shall provide Franchisor with original or duplicate copies of all insurance policies, including endorsements, or other proof of insurance acceptable to Franchisor evidencing coverage required by this Section, together with proof of payment within 10 days of issuance thereof. Franchisee shall also furnish Franchisor with all proof of insurance coverage required by this Section, including endorsements, within 10 days after any of the following events: (a) all policy renewals, but not less often than annually, and (b) all instances of any change to, addition to, or replacement of any insurance. The policies and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All proof of insurance is subject to approval by Franchisor. Franchisor reserves the right to require complete, certified copies of all required insurance policies at any time in Franchisor's sole discretion.

(d) In the event Franchisee fails to obtain the required insurance and to keep the same in full force and effect, Franchisor may, but shall not be obligated to, purchase insurance on Franchisee's behalf from an insurance carrier of Franchisor's choice, and Franchisee shall reimburse Franchisor for the full cost of such insurance, along with a reasonable service charge to compensate Franchisor for the time and effort expended to secure such insurance, within 5 days after the date Franchisor delivers an invoice detailing such costs and expenses to Franchisee. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement or exercise any or a combination of the other default remedies set forth in Section 17 of this Agreement.

(e) Franchisee's obligation to obtain and maintain insurance coverage in the amounts required by Franchisor shall not be limited in any way by reason of any insurance that Franchisor may maintain, nor does Franchisee's procurement of required insurance relieve Franchisee of liability under the indemnity obligations described in Section 12.2. Franchisee's insurance procurement obligations under this Section are separate and independent of Franchisee's indemnity obligations.

(f) Franchisor does not represent or warrant that any insurance that Franchisee is required to purchase will provide adequate coverage or protection for Franchisee. The requirements of insurance specified in this Agreement or the Manual are strictly for Franchisor's protection. Franchisee should consult with its own insurance agents, brokers, attorneys and other insurance professionals to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required by Franchisor.

(g) Franchisor reserves the right to modify minimum insurance requirements at any time in its sole discretion by updating the Manual.

12.2 Franchisee shall, during the Initial Term and any Interim Period and after the termination or expiration of this Agreement for any reason, indemnify and defend Franchisor, its Affiliates and their respective officers, directors and employees (the "Indemnified Parties"), and hold the Indemnified Parties harmless against, and to reimburse the Indemnified Parties for, all claims, demands, losses, damages (including punitive damages), actions, costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees and amounts paid in settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious, (the "**Damages**"), arising out of or relating to Franchisee's operation of the Business or breach of this Agreement or any other agreement between Franchisee and the Indemnified Parties, including without limitation those Damages related to (a) Franchisee's Office and Storage Facility or other premises; (b) Franchisee's taxes or other Business expenses; and (c) Franchisee's or its employees' acts or omissions; unless the Damages are solely due to Franchisor's or Franchisor's Affiliates' gross negligence or willful misconduct relating to products purchased by Franchisee from Franchisor or its Affiliates and used in providing Services. Franchisee must provide Franchisor with prompt written notice of any event(s) that could be a basis for a claim for Damages or a basis for indemnification by the Indemnified Parties.

Notwithstanding the foregoing, in the event of an indemnified claim, at Franchisor's option and at Franchisee's risk and expense, Franchisor or any of the Indemnified Parties have the right to elect to assume the defense or settlement of any claim or action for Damages, provided that Franchisor will keep Franchisee informed respecting the defense or settlement of the claim or action. Franchisor's undertaking of defense or settlement will not diminish Franchisee's obligation to indemnify the Indemnified Parties and to hold the Indemnified Parties harmless. Franchisor and the other Indemnified Parties will have the right, at any time, to offer, consent or agree to settlements or take any other remedial or corrective actions respecting any claim for Damages if, in Franchisor's sole judgment, there are reasonable grounds to do so.

13. RELATIONSHIP

13.1 Franchisee acknowledges that it is an independent contractor and is not an agent, partner, joint venturer or employee of Franchisor and no training or supervision given by, or assistance from, Franchisor shall be deemed to negate such independence. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted

pursuant to this Agreement. Franchisor and Franchisee agree that no partnership, fiduciary relationship, joint venture or employment relationship exists between them. Franchisee shall conspicuously identify itself in all dealings with the public as a sole operator that is an entity separate from Franchisor and state that Franchisor has no liability for the Business being conducted from the Business location. It is expressly agreed that the parties intend by this Agreement to establish between Franchisor and Franchisee the relationship of franchisor and franchisee. It is further agreed that Franchisee has no authority to create or assume in Franchisor's name or on behalf of Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Franchisor for any purpose whatsoever. Franchisee agrees that it will not hold itself out as the agent, employee, partner or co-venturer of Franchisor. All employees hired by or working for Franchisee shall be the employees of Franchisee and shall not, for any purpose, be deemed employees of Franchisor or subject to Franchisor's supervision or control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

13.2 Neither party hereto shall make any agreements, representations or warranties (except by Franchisor in advertising as provided herein) in the name of, or on behalf of, the other party; neither party hereto shall be obligated by, nor have any liability for, any agreements, representations or warranties made by the other (except by Franchisor in advertising as provided herein) nor shall Franchisor be liable for any damages to any person or property, directly or indirectly, arising out of the operation of Franchisee's Business, whether caused by Franchisee's negligent or willful action or failure to act.

13.3 Franchisor shall have no liability for Franchisee's obligations to pay any third parties, including without limitation, Franchisee's employees, any product vendors, or any value added, sales, use, service, occupation, excise, Gross Revenues, income, property or other tax levied upon Franchisee, Franchisee's property, the Business or upon Franchisor in connection with the sales made or business conducted by Franchisee (except any taxes Franchisor is required by law to collect from Franchisee with respect to purchases from Franchisor).

14. CONFIDENTIAL INFORMATION AND RESTRICTIVE COVENANTS

14.1 Confidential Information. Franchisee acknowledges and agrees that:

(a) Franchisee's entire knowledge of the operation of the Business, the System, and the concepts and methods of promotion licensed hereunder that it has now or obtains in the future is derived from Franchisor's Confidential Information and Trade Secrets. Franchisee further acknowledges and agrees that all of the Confidential Information and Trade Secrets are the sole property of Franchisor, represent valuable assets of Franchisor and that Franchisor has the right to use the Confidential Information and Trade Secrets in any manner it wishes at any time.

(b) During the Initial Term and any Interim Period, Franchisee, and Franchisees' owners, Designated Business Managers, and employees who have access to the Confidential Information and Trade Secrets agree that they: (1) will not use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets; (3) will not make unauthorized copies of any portion of the Confidential Information and Trade Secrets; and (4) will adopt and implement all reasonable procedures Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets including requiring employees, Designated Business Managers, training class attendees, and Franchisee

owners who have access to the Confidential Information and Trade Secrets to execute such nondisclosure and noncompetition agreements as Franchisor may require periodically, and provide Franchisor, at Franchisor's request, with signed copies of each of those agreements. Franchisor will be designated as a third party beneficiary on such nondisclosure and noncompetition agreements.

(c) After the Agreement expires or is terminated, Franchisee, and Franchisees' owners, guarantors, Designated Business Managers and employees who have access to the Confidential Information and Trade Secrets agree that for a period of 2 years after the termination or expiration of the Agreement (unless such information is a Trade Secret in which case the requirements in this Section 14.1(c) will remain in place for as long as such information constitutes a Trade Secret) they: (1) will not use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets; (3) will not make unauthorized copies of any portion of the Confidential Information or Trade Secrets; and (4) will adopt and implement all reasonable procedures Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets including requiring written non-disclosure and noncompetition agreements for those individuals as Franchisor may require and provide Franchisor, at Franchisor's request, with signed copies of each of those agreements. Franchisor will be designated as a third party beneficiary on such nondisclosure and noncompetition agreements.

(d) Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) Confidential Information in the public domain after it was communicated to Franchisee through no fault of Franchisee, its owners, Designated Business Managers or employees; (b) Confidential Information in Franchisee's possession free of any obligation of confidence at the time it was communicated to Franchisee; or (c) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that Franchisee is legally compelled to disclose the information, if Franchisee has notified Franchisor before disclosure and used Franchisee's best efforts, and afforded Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

(e) Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain Trade Secrets, as specified in the Manual.

14.2 Restrictive Covenants. Franchisee covenants and agrees that:

(a) During the Initial Term of this Agreement and any Interim Period thereof, Franchisee, its owners, guarantors and Designated Business Managers shall not, without the prior written consent of Franchisor, either individually or in a partnership, corporation, limited liability company, joint venture or other business entity or jointly or in conjunction with any person, firm, association, syndicate or corporation, as principal, agent, shareholder, member, partner, employee or in any manner whatsoever, carry on or be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of or permit its name or any part thereof to be used or employed in any business operating in competition with a fencing business or any Business as carried on during the Initial Term of this Agreement, including any Interim Period thereof.

(b) Upon termination or expiration of the Initial Term or any Interim Period, regardless of the cause, or the transfer, sale or assignment of this Agreement by Franchisee, neither Franchisee, any guarantors, the Designated Business Manager nor Franchisee's owners will have any direct or indirect interest (i.e., through a relative) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, for two (2) years; in any Business: (1) in the Territory or any other franchisee's territory; (2) within 10 miles of the Territory or any other franchisee's territory; or (3) within 10 miles of any Franchisor or Affiliate owned Fencing Business.

14.3 If any person restricted by this Section 14 refuses to voluntarily comply with the foregoing obligations, the 2 year period will commence upon the entry of any order of a court or arbitrator enforcing this Section 14.

14.4 The parties have attempted in Section 14.2 to limit Franchisee's right to compete only to the extent necessary to protect Franchisor from unfair competition. The parties hereby expressly agree that if the scope or enforceability of the provision of Section 14.2 is disputed at any time by Franchisee, a court or arbitrator, as the case may be, may modify Section 14.2 to the extent that it deems necessary to make such provision enforceable under applicable law. In addition, Franchisor reserves the right to reduce the scope of said provision without Franchisee's consent, at any time or times, effective immediately upon notice to Franchisee. THE FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT IT POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE THE FRANCHISEE OF THE ABILITY TO EARN A LIVING.

14.5 Nothing in this Section 14 shall prevent any active officer of Franchisee or member of Franchisee's family either individually or collectively, from owning not more than a total of 5% of the stock of any company, which is subject to the reporting requirements of the U.S. Securities and Exchange Act of 1934, provided that Franchisee is otherwise not actively involved in the management or operation of that business and does not serve that business in any capacity other than as a shareholder.

14.6 Franchisor must be protected against the potential for unfair competition by Franchisee's use of Franchisor's training, assistance, Confidential Information and Trade Secrets in direct competition with Franchisor. Franchisee further acknowledges that Franchisor would not have entered into this Agreement or shared the Confidential Information, Trade Secrets and other information with Franchisee absent Franchisee's agreement to strictly comply with the provisions of this Section 14. Franchisee acknowledges that as a Franchisee of Franchisor, it will have access to Franchisor's Trade Secrets and Confidential Information and therefore be in a unique position to use the special knowledge gained as a franchisee. Franchisee acknowledges that a breach of the covenants contained in this Section 14 will be deemed to threaten immediate and substantial irreparable injury to Franchisor. Accordingly, Franchisee agrees that Franchisor will have the right to obtain immediate injunctive relief without limiting any other rights or remedies and without posting a bond.

14.7 This Section 14 will also apply to the officers, directors, stockholders, partners, members, trustees, beneficiaries and/or principals of Franchisee, Franchisee, and any persons controlled by, controlling or under common control with Franchisee. In the event that Franchisee is an individual for a period of time as permitted under this Agreement, this Section 14 will also apply to Franchisee's spouse and immediate family members.

15. ASSIGNMENT

15.1 Franchisee acknowledges that Franchisor's obligations under this Agreement are not personal. Franchisor shall have the absolute right, in its sole discretion, to unconditionally transfer or assign this Agreement or any of its rights or obligation under this Agreement to any person, corporation or other party.

15.2 Franchisor reserves the right to assign the System to anyone including the operator of a competing business, licensed system or franchise system. Franchisee acknowledges and agrees that Franchisor may sell its assets, the Marks or the System to any third party of Franchisor's choice; may offer its securities privately or publicly; may merge with or acquire other corporations or be acquired by another corporation; may undertake a refinancing, recapitalization, leverage buyout, or other economic or financial restructuring; or may terminate or cease to exist or dissolve, in any such case without Franchisee's consent and, provided the transferee expressly assumes and undertakes to perform Franchisor's obligations in all material respects, free of any responsibility or liability whatsoever to Franchisee after the transaction occurs.

15.3 With regard to any of the above sales, assignment and dispositions, Franchisee expressly and specifically waives any claims, demands, or damages against Franchisor arising from or related to the transfer of the Marks, assets or the System from Franchisor to any other party.

15.4 Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee. Accordingly, this Agreement, Franchisee's rights and interests hereunder, the property and assets owned and used by Franchisee in connection with the Business and any shares, stock, membership or interest in any corporation, limited liability company, or other entity having an interest in the Business, shall not be voluntarily or involuntarily, directly or indirectly sold, pledged, assigned, transferred, shared, subdivided, sub-franchised, encumbered or transferred in any way (including, without limitation, in the event of the death of Franchisee if Franchisee is an individual), in whole or in part, in any manner whatsoever without the prior written approval of Franchisor and compliance with all terms of this Section 15. Any unauthorized sale, assignment, transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void and grounds for termination of this Agreement by Franchisor.

15.5 With and after each valid assignment of this Agreement pursuant to this Section 15, the assignee or assignees of Franchisee shall be deemed to be Franchisee under this Agreement and will be bound by and liable for all of Franchisee's existing and future obligations. No stockholder in any corporation, member in any limited liability company or partner in any partnership which becomes Franchisee shall have any rights under this Agreement by reason of his, her or its stock ownership, membership interest or partnership interest.

15.6 If Franchisee shall at any time determine to sell, in whole or in part, the Business, Franchisee shall obtain a bona fide, executed, written offer ("**Purchase Offer**") for the Business together with all real or personal property, leasehold improvements and other assets used by Franchisee in its Business from a responsible, arms' length, and fully disclosed purchaser and shall submit an exact copy of such Purchase Offer to Franchisor. Franchisor will have a right of first refusal to purchase the Business as provided in Section 16.

15.7 No transfer or assignment of this Agreement will be approved by Franchisor or be effective unless and until all the following conditions are satisfied:

(a) Franchisee being then in full compliance herewith and paying to Franchisor all outstanding debts or amounts owing to Franchisor;

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(b) the transferee executing Franchisor's then current franchise agreement (which shall have terms equal to the remainder of Franchisee's Initial Term, but which may contain provisions substantially different from those contained herein, including a higher royalty and greater expenditures for advertising and promotion than are provided hereunder, and such other documents then customarily used by Franchisor to grant franchises), and all other documents as may be reasonably requested by Franchisor;

(c) Franchisee's paying to Franchisor a transfer fee in the amount of \$10,000;

(d) Franchisee's execution of a general release of Franchisor, including its current and former officers, directors, agents and employees and Affiliates from such parties' obligations under the Agreement;

(e) the transferee purchasing all of Franchisee's assets used in the Business in accordance with all applicable bulk sales legislation and assuming all of the liabilities of the Business, including the liability for future warranty claims, unless such liabilities have been paid prior to the closing of the transaction of purchase and sale or unless the sale is a sale of shares in the capital stock or membership interest of Franchisee;

(f) the transferee shall be a corporation, limited liability company, partnership or other business entity having adequate financial resources who shall meet all criteria established by Franchisor for franchisees. The transferee shall also complete Franchisor's then current training program established by Franchisor for franchisees unless: (i) the transferee is a current franchisee in good standing in the System; or (ii) the transferee is or has been a Designated Business Manager for a period of 1 year or more of a Business in good standing;

(g) the parties to the proposed transaction will have entered a binding agreement subject only to the rights of Franchisor set out in Section 16. Franchisor shall be furnished a copy of this binding agreement, and such agreement shall be subject to Franchisor's approval in writing. Franchisee must advise each prospective transferee of this provision and the other terms of this Agreement;

(h) the proposed transferee or the stockholders, partners, members or owners of a beneficial interest in a proposed corporation, partnership, limited liability company or other entity transferee, providing jointly and severally such personal guarantees which Franchisor may request, guaranteeing the proposed transferee's performance of its obligations under the agreements to be entered into; and

(i) the proposed transferee shall have demonstrated to Franchisor's satisfaction that it, he or she will meet in all respects Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, required financial wherewithal, willingness and ability to devote its, his or her full time and best efforts to the operation of the Business, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided all information about the proposed transferee as Franchisor may reasonably require. Because of the confidential information and trade secrets available to a franchisee, no assignment to a competitor of Franchisor will be permitted; and

(j) the transferee paying all costs of: (i) Franchisor with respect to the granting of its approval, as hereinbefore contemplated, including but not limited to all of its legal costs with respect to the preparation and execution of the above noted Franchise Agreement, and all other documents then customarily used by Franchisor to grant franchises; and (ii) the transfer, including but not limited to all professional fees (attorney's fees, broker fees, and the like), leasing expenses, document preparation costs and due diligence. Franchisee agrees and acknowledges that Franchisee shall be solely responsible for paying any broker fees and/or commissions involved with the sale or transfer of the Business regardless of whether Franchisee directly engages such broker or if, at Franchisee's request, Franchisor engages such broker to assist with the sale or transfer of the Business.

Franchisor may expand upon, and provide more details related to, the conditions for transfer and Franchisor's consent as described in this Section 15.7, and may do so in the Manual or otherwise in writing.

15.8 Notwithstanding anything to the contrary herein contained, Franchisor shall, upon Franchisee's compliance with such requirements as may from time to time be prescribed by Franchisor (including the obtaining of all necessary approvals to the assignment of leases, if any, of the Office and Storage Facility), consent to an assignment of Franchisee's right, title and interest in and to this Agreement, and the property and assets owned and used by Franchisee in connection therewith and any other agreement then in effect between Franchisee and Franchisor to a corporation, limited liability company or other business entity which is wholly owned and controlled by Franchisee, subject to the following (provided that such assignment shall in no way release Franchisee from any liability under this Agreement):

(a) Contemporaneously with such assignment and thereafter upon the appointment or election of any person as director, officer, partner or manager of such corporation, limited liability company or other business entity, such corporation, limited liability company, partnership or other business entity shall cause each shareholder, partner, member, manager, director(s) and officer(s) of the corporation, limited liability company, partnership or other business entity to execute a written agreement with Franchisor under seal, personally guaranteeing full payment and performance of Franchisee's obligations to Franchisor and individually undertaking to be bound, jointly and severally, by all the terms of this Agreement or any new current form of Franchise Agreement and jointly and severally liable;

(b) No shares or interest in the capital of such corporation, limited liability company, partnership or other business entity shall be issued nor shall Franchisee directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, convey, donate, pledge, mortgage or otherwise encumber any such shares or interest or offer or attempt to do so or permit the same to be done without Franchisor's prior written consent;

(c) The corporation shall maintain stop transfer instructions against the transfer of shares on its records subject to the restrictions of this Section and shall have all outstanding shares endorsed with the following legend printed conspicuously upon the face of each certificate:

"The transfer of this certificate is subject to the terms and conditions of a certain Franchise Agreement with SUPERIOR FENCE AND RAIL FRANCHISOR, LLC Reference is made to said Franchise Agreement and to the restrictive provisions of the articles of this corporation."

(d) The articles of incorporation, articles of organization, operating agreement, partnership agreement, shareholder agreement, and by-laws of the corporation, limited liability company, partnership or other business entity shall provide that its objectives or business is confined exclusively to the operation of the Business as provided for in this Agreement, and recite that the issuance and transfer of any shares, membership interest, partnership interest or other interest is restricted by the terms of this Agreement, and copies thereof shall be furnished to Franchisor upon request;

(e) Franchisor's consent to a transfer of any interest subject to the restrictions of this Section shall not constitute a waiver of any claim it may have against the assignor, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the assignee;

(f) The corporation, partnership, limited liability company or other business entity shall advise Franchisor and keep Franchisor current as to the names and addresses of the directors, officers, members, partners and shareholder of and those persons financially involved in the corporation, partnership, limited liability company or other business entity; and

(g) Franchisee agrees to devote its full time and best efforts to manage the day-to-day operations of the Business unless it has an operational partner or Designated Business Manager approved by Franchisor.

15.9 Upon the death of Franchisee, shareholder, partner, or member the rights granted by this Agreement may pass to the next of kin or legatees, provided that Franchisee's legal representatives shall within 120 calendar days of Franchisee's death apply in writing to Franchisor for the right to transfer to the next of kin or legatee Franchisee's rights under this Agreement. Franchisor shall not unreasonably withhold its permission so long as the proposed transferees meet each of the requirements set forth in this Section 15 within 30 days of the receipt of a conditional permission for the transfer.

15.10 Any attempt by Franchisee to transfer any of its rights or interest under this Agreement or the License, without having received Franchisor's prior written consent, will constitute a material breach of this Agreement. However, if Franchisee dies and its personal representative does not desire to sell the Business, and if under controlling local law Franchisee's interest in the Business, the License and Agreement are distributable to heirs or legatees who are members of his or her immediate family and who otherwise would qualify as assignees, then such attempted assignment by operation of law will not be deemed in violation of this Agreement, provided that such heirs or legatees accept the conditions imposed on otherwise permitted assignees.

15.11 Franchisee shall not have the right to grant a sublicense or subfranchise.

16. OPTION TO PURCHASE — RIGHT OF FIRST REFUSAL

16.1 Unless otherwise explicitly provided by this Agreement, Franchisor shall be entitled to exercise the rights provided in this Section immediately upon:

(a) The expiration without the extension of Franchisee's rights to operate the Fencing Business or the termination for any reason of the License or this Agreement; or

(b) The receipt by Franchisor of a copy of a Purchase Offer.

16.2 Upon any event described in this Section 16.2, Franchisor shall have the option to purchase all of Franchisee's rights, title and interest in the Business, and all its improvements, furniture, fixtures, equipment and products, and all of Franchisee's accounts, contract rights, customer and vendor lists, work in progress and other business assets.

16.3 The purchase price for assets itemized in Section 16.2 will be, subject to Section 16.4: (i) the current fair market value if Section 16.1(a) is applicable; or (ii) the price specified in the Purchase Offer received by Franchisee if Section 16.1(b) is applicable. If Franchisee and Franchisor cannot agree on fair market value within a reasonable time, an independent appraiser will be designated by each of Franchisee and Franchisor and an average of the 2 appraised values will be binding. Appraised values will exclude any and all consideration for goodwill or going concern value created by the Marks and business system licensed to Franchisee.

16.4 If Franchisor elects to exercise any option to purchase provided in this Section 16 Franchisor will have the right to set off all amounts due from Franchisee under this Agreement or any other agreements between the parties, any commissions or fees payable to any broker, agent or other intermediary and the cost of the appraisal, if any, against any payment. Franchisee shall also have the right to substitute cash for any other form of consideration specified in the Purchase Offer and to pay in full the entire purchase price at the time of closing.

16.5 Franchisor will notify Franchisee of its intention to exercise or not exercise its rights to purchase ("**Notice of Intent**") within 60 days following an event described in Section 16.1(a) or within 15 days following an event described in Section 16.1(b). The Notice of Intent will specify the assets to be purchased, and the current fair market value as determined by Franchisor if Section 16.1(a) is applicable. In the event Franchisor is purchasing the assets pursuant to Section 16.1(a), Franchisee will have 14 days following receipt of Franchisor's Notice of Intent to object to any of the prices specified therein, and any disputes over pricing shall be resolved through appraisal as specified by Section 16.3. If Franchisor declines to exercise its rights under this Section within the 15 or 60 day period described above, as applicable, Franchisee may thereafter, sell or dispose of the Business to any third party in the event of a sale under Section 16.1(a) or to the third party identified in the Purchase Offer in the event of a sale under Section 16.1(b), but not at a lower price nor on more favorable terms than set forth in the Purchase Offer, if any, or the Notice of Intent and subject to the prior written permission of Franchisor and satisfaction of the other conditions to assignment set forth in Section 15. If the sale to such third party purchaser is not completed within 90 days after Franchisor delivers the Notice of Intent to Franchisee, Franchisor shall again have the right of first refusal herein provided.

16.6 If Franchisor provides Franchisee with its Notice of Intent to exercise its rights under this Section 16, the purchase and sale contemplated in this Section shall be consummated as soon as possible. In the event Franchisor is purchasing the assets pursuant to Sections 16.1(a), following the delivery of a Notice of Intent as specified in Section 16.5, Franchisor or Franchisor's designee shall have the immediate right to take possession of the Business and to carry on and develop the Business for the exclusive benefit of Franchisor or its designee.

17. DEFAULT AND TERMINATION

17.1 Franchisor shall have the right, at its option, to (i) suspend performance of certain or all of its guidance, coaching, assistance and any services to Franchisee during the time period Franchisee is in default of this Agreement; or (ii) terminate this Agreement and all rights granted Franchisee hereunder, (subject to the provisions of applicable state law), effective upon receipt of notice by Franchisee, addressed as provided in Section 18, upon the occurrence of any of the following events:

(a) Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of Franchisor's Manual, Confidential Information or Trade Secrets of Franchisor;

(b) Franchisee voluntarily abandons the Business for a period of 5 consecutive days, or any shorter period that indicates an intent by Franchisee to discontinue operation of the Business, during the prime season of the Business, unless such abandonment is due to fire, flood, earthquake or other similar causes beyond Franchisee's control and not related to the availability of funds to Franchisee. For purposes of this Section 17.1(b), Franchisor has the right to determine what constitutes the prime season of the Business, although it shall at a minimum include the months of February through November each year;

(c) Franchisee becomes insolvent or is adjudicated bankrupt; or any action is taken by Franchisee, or by others against Franchisee under any insolvency, bankruptcy or reorganization act, or if Franchisee makes an assignment for the benefit of creditors, or a receiver is appointed for Franchisee;

(d) Any material judgment (or several judgments which in the aggregate are material) is obtained against Franchisee and remains unsatisfied or of record for 30 days or longer (unless a supersedeas or other appeal bond has been filed); or if execution is levied against Franchisee's Business or any of the property used in the operation of the Business and is not discharged within 10 days; or if the real or personal property of Franchisee's Business shall be sold after levy thereupon by any sheriff, marshal or constable;

(e) Franchisee or any owner of greater than 20% of Franchisee entity or operator is charged or convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of Franchisor, to materially and unfavorably affect the System, Marks, goodwill or reputation thereof;

(f) Franchisee fails to pay any amounts due Franchisor or Affiliates within 10 days after receiving notice that such fees or amounts are overdue;

(g) Franchisee misuses or fails to follow Franchisor's directions and guidelines concerning use of the Marks and fails to correct the misuse or failure within 10 days after notification from Franchisor;

(h) Franchisee has received 3 notices of default with respect to Franchisee's obligations hereunder from Franchisor within a 12 month period, regardless of whether the defaults were cured by Franchisee;

(i) Franchisee sells, transfers or otherwise assigns the Business, an interest in the Business or Franchisee entity, this Agreement, the Business or a substantial portion of the assets of the Business owned by Franchisee without complying with the provisions of Section 15;

(j) Franchisee submits on 2 or more occasions during the Initial Term or any Interim Period a report, financial statement, tax return, schedule or other information or supporting record which understates its Gross Revenue by more than 3%, unless Franchisee demonstrates that such understatement resulted from inadvertent error;

(k) Franchisee fails, or refuses, to submit any report, financial statement, tax return, schedule or other information or supporting records required herein, or submits such reports more than 15 days late on 2 or more occasions during the Initial Term or any Interim Period unless due to circumstances beyond the control of Franchisee;

(l) Franchisee sells or offers for sale any unauthorized merchandise, product or service, engages in any unauthorized business or practice or sells any unauthorized product or service under the Marks or under a name or mark which is confusingly similar to the Marks;

(m) Franchisee contests in any court or proceeding the validity of, or Franchisor's ownership of the Marks or copyrighted materials;

(n) Franchisee is a corporation, limited liability company, partnership or other business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate such entity without Franchisor's prior written consent;

(o) Franchisee or its Designated Business Manager fails to successfully complete Franchisor's training or retraining course(s);

(p) Franchisee receives from Franchisor during the Initial Term and any Interim Period 4 or more notices of default regardless whether such notices of default relate to the same or different defaults, or whether such defaults have been remedied by Franchisee;

(q) Any misrepresentation under Section 1.9 or any violation of Anti-Terrorism Laws by Franchisee, Designated Business Manager, its owners, agents or employees; or

(r) Franchisee fails to obtain and maintain all required permits and licenses, as described in Section 8.2(i).

17.2 Franchisor shall have the right, at its option, to (i) suspend performance of certain or all of its guidance, coaching, assistance and services to Franchisee during the time period Franchisee is in default of this Agreement, including referral of any National Accounts to Franchisee; or (ii) terminate this Agreement (subject to any applicable state laws to the contrary, where state law shall prevail), effective upon 30 days written notice to Franchisee, if Franchisee breaches any other provision of this Agreement and fails to cure the default during such 30 day period. In that event, this Agreement will terminate without further notice to Franchisee, effective upon expiration of the 30 day period. Defaults shall include, but not be limited to, the following:

(a) Franchisee fails to maintain the then-current operating procedures and standards established by Franchisor as set forth herein or in the Manual or otherwise communicated to Franchisee;

(b) Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

(c) Franchisee fails or refuses to comply with the then-current requirements of the Manual;

(d) Franchisee, or any partnership, joint venture, limited liability company, corporation or other business entity in which Franchisee has a controlling equity interest, defaults under any term of the Lease of the Office and Storage Facility or any other premises used by Franchisee to operate the Business, any other license agreement or franchise agreement with Franchisor or any other agreement material to the Business and such default is not cured within the time specified in such Lease, other license agreement, franchise agreement or other agreement;

(e) Franchisee fails, refuses or neglects to submit a statement of monthly revenues accompanying the Monthly Branding Royalty or any other report required under the Agreement when due;

(f) Franchisee fails, refuses or neglects to accurately report Gross Revenues, sales information or other information required by Franchisor to be reported;

(g) Franchisee fails to comply with any other provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor and does not correct such failure within 10 days (or 30 days if this is the first non-compliance or breach) after written notice from Franchisor (which shall describe the action that Franchisee must take) is delivered to Franchisee; or

(h) The failure to meet the Minimum Annual Sales Quota set out in Section 4.6.

17.3 Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such 30 day period and Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such 30 day period, Franchisee shall be given an additional reasonable period of time to cure the same, but in no event longer than 30 additional days.

17.4 A termination of this Agreement by Franchisee shall be deemed to be a termination without cause and a breach hereof, by Franchisee. Franchisee agrees that it shall not, on grounds of an alleged nonperformance by Franchisor of any of its obligations or any other reason, withhold payment of any amount due to Franchisor whatsoever or set off amounts owed to Franchisor under this Agreement, against any monies owed to Franchisee, which right of set off is hereby expressly waived by Franchisee.

17.5 No endorsement or statement on any check or payment of any sum less than the full sum due to Franchisor shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and Franchisor may accept and cash such check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law. Franchisor may apply any payments made by Franchisee against any past due indebtedness of Franchisee as Franchisor may see fit. Franchisor may set off against any payment due to Franchisee hereunder any outstanding debts of Franchisee to Franchisor, and may, at Franchisor's option, pay Franchisee's trade creditors out of any sum otherwise due to Franchisee.

17.6 Franchisee agrees to pay within 5 days of the effective date of termination or expiration of the Franchise all amounts owed to Franchisor, the landlord of the Office and Storage Facility or other premises used in the Business (if applicable) and Franchisee's trade and other creditors which are then unpaid.

17.7 All Monthly Branding Royalties and advertising contributions, all amounts due for goods purchased by Franchisee from time to time from Franchisor or its Affiliates and any other amounts owed

to Franchisor or its Affiliates by Franchisee pursuant to this Agreement or any other agreement shall bear interest after the due date at the rate of 18% per annum or the highest rate permitted by law, whichever is lower, both before and after default, with interest on overdue interest at the aforesaid rate. The acceptance of any interest payment shall not be construed as a waiver by Franchisor of its rights in respect of the default giving rise to such payment and shall be without prejudice to Franchisor's right to terminate this Agreement in respect of such default.

17.8 Upon termination of this Agreement prior to its natural expiration date in accordance with its terms, Franchisee shall pay to Franchisor within thirty (30) days of the date of the termination, as an early termination fee for the premature termination of this Agreement and not as a penalty, an amount equal to twenty-four (24) times the average monthly continuing royalty fees payable to Franchisor over (a) the last twelve (12) months of the Business's active operations, or (b) the entire period the Business has been open for business, whichever is the shorter period. Franchisee acknowledges and agrees that such early termination fee is a reasonable approximation of the damages Franchisor will incur resulting from the premature termination of the Franchise Agreement as a result of breach by Franchisee, is appropriate because actual damages incurred by Franchisor will be difficult or impossible to ascertain, is not a penalty, and shall not affect Franchisor's right to, and is not in lieu of, any other payment or remedy, damages or relief to Franchisor.

17.9 Should Franchisee, or any partnership or joint venture or corporation in which Franchisee has a controlling equity interest, be a franchisee pursuant to another Superior Fence & Rail, Inc.® franchise agreement with Franchisor, respecting another franchised Business using the Marks, a default under this Agreement shall constitute a default under such other Superior Fence & Rail, Inc.® franchise agreement and vice versa, with like remedies available to Franchisor. Should such other Superior Fence & Rail, Inc.® franchise agreement cease to be valid, binding and in full force and effect for any reason then Franchisor may, at its option terminate this Agreement and this Agreement shall be forthwith surrendered by Franchisee and terminated, and likewise should this Agreement cease to be valid binding and in full force and effect for any, reason, Franchisor may at its option terminate the other Superior Fence & Rail, Inc.® franchise agreement and the other Superior Fence & Rail, Inc.® franchise agreement shall be forthwith surrendered and terminated. In the event that there is more than one Franchisee, or if Franchisee should consist of more than one legal entity, Franchisee's liability hereunder shall be both joint and several. A breach hereof by one such entity or Franchisee shall be deemed to be a breach by both or all.

17.10 Franchisee agrees that upon termination or expiration of this Agreement, it shall take the following action:

(a) Immediately discontinue the use of all Marks, signs, structures, forms of advertising, telephone listings, facsimile numbers, e-mail addresses, the Manual, and all materials, Products and Services of any kind which are identified or associated with the System and return all these materials and Products to Franchisor;

(b) Immediately turn over to Franchisor all materials, including the Manual, customer lists, records, files, instructions, brochures, advertising materials, agreements, Confidential Information, Trade Secrets and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business (all of which are acknowledged to be Franchisor's property). Under no circumstances shall Franchisee retain any printed or electronic copies of the Manual, Confidential Information or Trade Secrets or portions thereof upon expiration or termination of this Agreement;

(c) Franchisee hereby acknowledges that all telephone numbers, facsimile numbers and Internet addresses used in the operation of the Business constitute assets of the Business; and upon termination or expiration of this Agreement, Franchisee shall take such action within 5 days to cancel or assign to Franchisor or its designee as determined by Franchisor, all Franchisee's right, title and interest in and to Franchisee's telephone numbers, facsimile numbers and Internet addresses and shall notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and Internet and e-mail addresses, and any regular, classified or other telephone directory listing associated with the Marks and to authorize a transfer of same to or at the direction of Franchisor. Franchisee acknowledges as between Franchisor and Franchisee, Franchisor has the sole rights to, and interest in, all telephone numbers, facsimile numbers, directory listings and Internet addresses used by Franchisee to promote the Business and/or associated with the Marks. Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. Attachment E evidences such appointment;

(d) Make no representation nor state that Franchisee is in any way approved, endorsed or licensed by Franchisor or associated or identified with Franchisor or the System in any manner;

(e) Immediately take all steps necessary to amend or terminate any registration or filing of any d/b/a or business name or fictitious name or any other registration or filing containing the Marks so as to delete the Marks and all references to anything associated with the System;

(f) Provide Franchisor the option to purchase as set in Section 16;

(g) Comply with the provisions of Sections 10.1(c) and 10.1(d) and Section 14; and

(h) Assign all of Franchisee's customer contracts to Franchisor and pay to Franchisor any amounts (or a pro rata portion of any amounts) paid by Franchisee's customers for Services Franchisee has not yet performed. For example, if a customer pre-paid for services and Franchisee had performed only 50% of the contracted services, Franchisee must pay to Franchisor 50% of the amount the customer paid to the Franchisee.

17.11 If, within 30 days after termination or expiration of this Agreement by Franchisor, Franchisee fails to remove all displays of the Marks from the Business, which are identified or associated with the System, Franchisor may enter the Business to effect removal. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials.

17.12 If, within 30 days after termination or expiration of this Agreement Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any business name or d/b/a or any other registration or filing containing the Marks, Franchisee hereby irrevocably appoints Franchisor as Franchisee's true and lawful attorney for Franchisee, and in Franchisee's name, place and stead and on Franchisee's behalf, to take action as may be necessary to amend or terminate all registrations and filings, this appointment being coupled with an interest to enable Franchisor to protect the System.

17.13 Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies which Franchisor may have against Franchisee, whether such claims or rights arise before or after termination or expiration.

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17.14 All obligations of the parties hereto which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect notwithstanding such expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of Articles 10, 12, 14 and 16, hereof shall survive termination or expiration of this Agreement.

17.15 In the event that this Agreement expires or is terminated for any reason whatsoever and Franchisor is the lender under any loan agreement (“**Loan**”) or the holder of any promissory note (“**Note**”) or the holder of any personal property, security interest, chattel mortgage, debenture or mortgage of any nature whatsoever (“**Security Interest**”) from Franchisee concerning assets used at any time by Franchisee in the Business or which are situated on the Business premises, such Loan, Note or Security Interest shall, upon the effective date of termination or expiration, immediately become fully due and payable as to all principal and interest so loaned and secured.

17.16 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, the prior notice or other action required by such law or rule shall be substituted for the notice requirements hereof. Such modifications to this Agreement shall be effective only in such jurisdiction and shall be enforced as originally made and entered into in all other jurisdictions.

17.17 THE PARTIES WAIVE, TO THE EXTENT PERMITTED BY LAW, ANY CLAIM AGAINST THE OTHER FOR PUNITIVE OR EXEMPLARY DAMAGES; EXCEPT FOR SUCH PUNITIVE OR EXEMPLARY DAMAGES FOR VIOLATION OF THE LANHAM ACT, TRADEMARK INFRINGEMENT OR DILUTION, UNAUTHORIZED DISSEMINATION OF CONFIDENTIAL INFORMATION OR TRADE SECRETS OR ARISING UNDER THE INDEMNIFICATION SET FORTH IN SECTION 12.

17.18 The rights of the parties hereto are cumulative and no exercise or enforcement by a party of any right or remedy hereunder shall preclude the exercise or enforcement by that party of any other right or remedy herein contained, or to which it is entitled by law.

17.19 Franchisee hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Franchisor may be entitled. Franchisee agrees that Franchisor may obtain injunctive relief without posting a bond. Franchisee’s sole remedy, in the event of the entry of injunctive relief, shall be dissolution of the injunction, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any injunction are hereby expressly waived by Franchisee. In any proceeding concerning the entry of any requested injunction against Franchisee, Franchisee, for value, voluntarily waives any defenses Franchisee might otherwise have relating to any claimed “prior breach” on the part of Franchisor; it being specifically understood and agreed between the parties that no action or lack of action on the part of Franchisor shall be a defense to Franchisor’s claim for injunctive relief.

17.20 THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE STATE OR FEDERAL LAW, SUCH LAW SHALL GOVERN THE FRANCHISEE’S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

17.21 Franchisee acknowledges and agrees that in addition to, and not in lieu of, all other remedies or rights that Franchisor might otherwise have by virtue of Franchisee’s breach of this

Agreement, Franchisee must reimburse Franchisor for all attorneys' fees, costs, and expenses (and interest on such fees, costs and expenses) Franchisor incurs to enforce the terms of this Agreement or any obligation owed to Franchisor by Franchisee, including but not limited to amounts incurred in connection with preparation of default notices and related correspondence, or to defend any claim that Franchisee brings against Franchisor.

18. NOTICES

Any notice of default under this Agreement shall be delivered personally, by courier or by overnight service to the appropriate location. Any other notice, request, demand, approval, consent or other communication which the parties hereto may be required or permitted to be given hereunder shall be in writing and may be given to the party for whom it is intended by personal delivery, facsimile transmission or delivering it to such party by mailing it by prepaid registered mail, in the case of Franchisor to:

To Franchisor:

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC
2426 Old Brick Road
Glen Allen, Virginia 23060
Attention: President

with a copy to:

Lathrop GPM, LLP
80 South Eighth Street, Suite 500
Minneapolis, Minnesota 55402
Attention: Michael Gray

To Franchisee:

Attention:_____

with a copy to:

Attention:_____

Any such notice or other document delivered personally, by electronic mail, or by facsimile transmission shall be deemed to have been received by and given to the addressee on the day of delivery and any such other notice or other document mailed as aforesaid, shall be deemed to have been received by and given to the addressee on the 3rd business day following the date of mailing. Any party may at any time give notice in writing to any other party of any change of address.

19. MEDIATION & ARBITRATION

19.1 Except as otherwise provided in this Section 20, any controversy or dispute arising out of, or relating to the franchise or this Agreement including, but not limited to, any claim by Franchisee or any person in privity with or claiming through, on behalf of or in the right of Franchisee, concerning the entry into, performance under, or termination of, this Agreement or any other agreement entered into by Franchisor, or its subsidiaries or Affiliates, and Franchisee, any claim against a past or present employee, officer, director, member, shareholder or agent of Franchisor; any claim of breach of this Agreement; and any claims arising under State or Federal laws (“**Dispute**”), shall be submitted to nonbinding mediation before an arbitration proceeding may be filed. “**Person in privity**” with or claiming through, on behalf of or in the right of Franchisee includes but is not limited to, spouses and other family members, heirs, executors, representatives, successors and assigns. The mediation must be for a minimum of four hours before the American Arbitration Association in the city where our corporate headquarters is located (currently Richmond, Virginia). Mediation is a compromise negotiation for the purposes of the federal and state rules of evidence, and the entire process is confidential. Before any mediation, all parties will sign a confidentiality agreement reasonably satisfactory to us excepting only public disclosures and filings as are required by law. All parties must attend mediation. We will pay the costs of the first four hours of any mediation, and no mediation is required to extend beyond such four-hour period.

19.2 Except as otherwise provided in this Section 20 (including Section 20.1 and 20.3), any Dispute must be submitted to final and binding arbitration as the sole and exclusive remedy for any such controversy or dispute. Subject to this Section 20, the right and duty of the parties to this Agreement to resolve any disputes by arbitration shall be governed exclusively by the Federal Arbitration Act and the Federal Rules of Evidence, as amended, and arbitration shall take place according to the Commercial Arbitration Rules of the American Arbitration Association in effect as of the date the demand for arbitration is filed. The arbitration shall be held in city where our corporate headquarters is located (currently Richmond, Virginia). A single arbitrator shall be selected from a panel of neutral arbitrators provided by the American Arbitration Association and shall be chosen by the striking and ranking method. The arbitrator must have at least five years’ experience in franchise law. The arbitrator’s fees shall be divided equally between the parties. The arbitrator shall have no authority to amend or modify the terms of this Agreement. The award or decision by the arbitrator shall be final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction in the state where the arbitration took place. The parties consent to the exercise of personal jurisdiction over them by such courts and to the propriety of venue of such courts for the purpose of carrying out this provision; and they waive any objections that they would otherwise have concerning venue and personal jurisdiction.

19.3 Neither mediation nor arbitration will be required for any Dispute which involves amounts due from Franchisee to Franchisor, Franchisee’s post termination or expiration use of any of the Marks, System, Confidential Information or Trade Secrets, or Franchisor’s right to seek injunctive relief as provided in Section 17.19.

19.4 **Class Action Waiver.** Any proceeding (whether mediation, arbitration, trial to a court or jury, appeal or otherwise) must be brought in the parties’ individual capacity and not as a plaintiff or class member in any purported class. The parties agree that any mediation, arbitration or civil action arising out of a Dispute is only a matter between Franchisor and Franchisee and no other franchisees. Franchisee agrees not to join or attempt to join other franchisees or licensees or persons in privity with or claiming through, or on behalf of, Franchisee in any class or collective action.

20. MISCELLANEOUS

20.1 Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), the Federal Arbitration Act, or other applicable federal law, this Agreement shall be interpreted under the laws of the Commonwealth of Virginia, and any dispute between the parties shall be governed by and determined in accordance with the procedural and substantive laws of the Commonwealth of Virginia, which laws shall prevail in the event of any conflict of law. The parties agree that the Virginia Retail Franchising Act, or any other state law or regulation applicable to the offer or sale of franchises or the franchise relationship, will not apply unless the jurisdictional provisions are independently met. Franchisee waives, to the fullest extent permitted by law, the rights and protections provided by the Virginia Retail Franchising Act. Franchisee and Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee, its officers or directors and Franchisor, its officers, directors, shareholders, members, employees or Affiliates both parties agree that the venue for disputes between them shall be in the Commonwealth of Virginia and each waive any objection either may have to the personal jurisdiction of or venue in the Commonwealth of Virginia. However, Franchisor reserves the right to file any claims it may have against Franchisee in the federal or state court where the Business is located.

20.2 All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein; all partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

20.3 If either party institutes a legal proceeding, including court proceedings or arbitration, and prevails in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses (and interest on such fees, costs and expenses) in connection with any action at law, and interest on such expenses.

20.4 No failure, forbearance, neglect or delay of any kind on the part of Franchisor in connection with the enforcement or exercise of any rights under this Agreement shall affect or diminish Franchisor's right to strictly enforce and take full benefit of each provision of this Agreement at any time, whether at law for damages, in equity for injunctive relief or specific performance, or otherwise. No custom, usage or practice with regard to this Agreement by Franchisee or Franchisor's other Franchisees shall preclude the strict enforcement of this Agreement in accordance with its literal terms. No waiver by Franchisor of performance of any provision of this Agreement shall constitute or be implied as a waiver of Franchisor's right to enforce that provision at any future time. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding or succeeding breach by Franchisee of any terms, provisions, covenants, or conditions of this Agreement. No interpretation, change, termination or waiver of any provision of this Agreement, and no consent or approval under this Agreement, shall be binding upon Franchisee or Franchisor or effective unless in writing signed by Franchisee and Franchisor's Chief Executive Officer, President or Vice President, except that a waiver need be signed only by the party waiving.

20.5 This Agreement, together with any written related agreements, all Exhibits, Attachments, addenda, and that certain Acknowledgement Addendum signed contemporaneously with this Agreement, constitutes the entire understanding and agreement between Franchisee and Franchisor and supersedes all

prior understandings, whether oral or written, pertaining to this Agreement, License, System or Business. Nothing in the Agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that Franchisor furnished to Franchisee.

20.6 The headings of the sections hereof are for convenience only and do not define, limit or construe the contents of the sections of such Sections or other Sections. The term “**Franchisee**” as used herein is applicable to one or more persons, a corporation, limited liability company, a partnership or other business entity, as the case may be, and the singular usage (where applicable) includes the plural and the masculine and neuter usages (where applicable) include the other and the feminine, and the terms “include” and “including” also include the meaning “including without limitation.” The term Lease shall include a sublease, and a renewal or extension of a lease or sublease. Time shall be of the essence of this Agreement and of every part thereof.

20.7 When calculating the date upon which or the time within which any act is to be done pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded; if the last day of such period is a non-business day, the period in question shall end on the next business day. Time shall be of the essence of this Agreement and of every part thereof.

20.8 Neither party hereto shall be liable for any loss or damage due to any delay in the due performance of the terms hereof (except for the payment of money) by reason of strikes, lockouts and other labor relations, fires, riots, wars, embargoes and civil commotion, or acts of God (“**Force Majeure Event**”). Any such delay shall extend performance only so long as such event is in progress except such Force Majeure Event will not affect or change Franchisee’s obligation to pay Monthly Branding Royalty and National Branding & Marketing Fees when due. Notwithstanding the foregoing, if there is a Force Majeure Event, Franchisor, may in its sole discretion, elect to waive the Monthly Branding Royalty and National Branding & Marketing Fees during the period of delay caused by the Force Majeure Event or such shorter period.

20.9 Franchisee shall execute and deliver such further instruments, contracts, forms and other documents, and shall perform such further acts, as may be necessary or desirable, to carry out, complete and perform all terms, covenants and obligations herein contained. Franchisee hereby irrevocably appoints Franchisor as his attorney, and hereby empowers him to execute such instruments regarding the Marks for and in Franchisee’s name in order to give full effect to Sections 10, 12, 15, and 17 of this Agreement. Franchisee hereby declares that the powers of attorney herein granted may be exercised during any subsequent legal incapacity on its part.

20.10 This Agreement shall be binding upon, and subject to Section 15 hereof, shall inure to the benefit of, Franchisee’s successors and permitted assigns.

20.11 This Agreement may only be modified or amended by a written document executed by Franchisee and Franchisor. Franchisee acknowledges that Franchisor may modify its standards and specifications and operating and marketing techniques set forth in the Manual unilaterally under any conditions and to the extent in which Franchisor, in its sole discretion, deems necessary to protect, promote, or improve the Marks, and the quality of the System, but under no circumstances will such modifications be made arbitrarily without such determination. Notwithstanding anything herein to the contrary, Franchisor shall have the right unilaterally to reduce the scope of any covenants of Franchisee contained in this Agreement upon notice to Franchisee, whereupon Franchisee shall comply therewith as so modified.

20.12 From time to time, Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of Franchisor or independent contractors which Franchisor has contracted with to provide such services. Franchisee agrees in advance to any such delegation by Franchisor of any portion or all of its obligations and duties hereunder.

21. ACKNOWLEDGEMENT

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

THE FRANCHISEE ACKNOWLEDGES THAT:

1. NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH IN THIS DOCUMENT, AND IN ANY DISCLOSURE DOCUMENT SUPPLIED TO THE FRANCHISEE, IS BINDING ON THE FRANCHISOR IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT.

2. FRANCHISEE HAD A COMPLETE COPY OF THIS AGREEMENT, WITH ALL BLANKS FILLED IN, IN ITS POSSESSION FOR A PERIOD OF TIME NOT LESS THAN 7 FULL CALENDAR DAYS, DURING WHICH TIME THE FRANCHISEE HAD THE OPPORTUNITY TO SUBMIT SAME FOR PROFESSIONAL REVIEW AND ADVICE OF THE FRANCHISEE'S CHOOSING PRIOR TO FREELY EXECUTING THIS AGREEMENT. FRANCHISEE ACKNOWLEDGES THAT IT HAS HAD AMPLE TIME AND OPPORTUNITY TO INVESTIGATE THE FRANCHISOR'S BUSINESS AND TO CONSULT WITH LEGAL AND FINANCIAL ADVISORS OF ITS CHOICE.

3. FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE SYSTEM AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT AND ITS SUCCESS INVOLVES SUBSTANTIAL BUSINESS RISK AND WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS. FRANCHISEE HEREBY ASSUMES THE RESPONSIBILITY FOR ITS SUCCESS OR FAILURE OF THE BUSINESS VENTURE.

4. EXCEPT AS OTHERWISE INCLUDED IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT, FRANCHISOR HAS NOT PROVIDED ANY STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION OF ACTUAL, AVERAGE, PROJECTED, FORECASTED OR POTENTIAL PURCHASES, SALE, COST, EARNINGS, INCOME OR PROFITS TO FRANCHISEE.

5. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY ASSURANCE, WARRANTY OR GUARANTEE, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, EARNINGS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

This entire Agreement, including corrections, changes, and all attachments and addenda, will only be binding upon Franchisor when executed or initialed by Franchisor's authorized representative.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above set forth.

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

Date: _____

By: _____

Name: _____

Title: _____

FRANCHISEE:

Date: _____

Individually

OR:

(if a corporation or partnership)

Company Name

Date: _____

By: _____

Title: _____

ATTACHMENT A
TO FRANCHISE AGREEMENT

1. Territory.

The Territory set forth in Section 4.1 of the Agreement shall be: _____
_____.

2. Initial Franchise Fee. Franchisee shall pay to Franchisor an initial franchise fee of \$_____, due and payable at the time of execution of the Agreement.

3. Operational Start Date: The parties agree that the “Operational Start Date” for the Business shall be the earlier of: (a) the date that Franchisee begins operation of its Business; or (b) _____, 20_____. Franchisee’s obligations to make the Monthly Branding Royalty and the National Branding & Marketing Fee shall commence on the Operational Start Date, even if Franchisee has not yet begun operating its Business.

4. Abatement Period (if any): The Minimum Monthly Branding Royalty shall be abated during the following seasonal periods, if any: _____.

FRANCHISOR:

FRANCHISEE:

**SUPERIOR FENCE AND RAIL FRANCHISOR,
LLC**

By: _____
Name: _____
Title: _____

By: _____
Title: _____

**ATTACHMENT B
TO FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the Franchise Agreement executed between _____ and SUPERIOR FENCE AND RAIL FRANCHISOR, LLC, ("**Franchisor**") on _____, 20____ ("Agreement") each of the undersigned hereby personally and unconditionally:

1. Guarantees to Franchisor and its successors and assigns, for the Initial Term, including any Interim Period thereof, that _____ ("**Franchisee**") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and

2. Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, including but not limited to the terms of Section 14.

Each of the undersigned waives the following:

1. Acceptance and notice of acceptance by Franchisor of the foregoing undertaking;
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 any action be brought against Franchisee or any other person as a condition of liability; and
5. Any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

6. His or her direct and immediate liability under this guaranty shall be joint and several;
7. He or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;
8. Such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and
9. Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee 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 Initial Term, including any Interim Period thereof.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature effective on the same day and year as the Agreement was executed.

WITNESS

GUARANTOR(S)

ACKNOWLEDGMENT

Franchisee, and its shareholders and partners, as applicable, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply herewith and be bound hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the first date set forth above.

ACCEPTED on this _____ day of _____ 20_____.

FRANCHISOR:

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____

Its _____

an Individual

an Individual

**ATTACHMENT C
TO FRANCHISE AGREEMENT
STATEMENT OF OWNERSHIP**

Franchisee: _____

Territory Number: _____

Trade Name (if different from above): _____

**Form of Ownership
(Check One)**

☐ **Individual** ☐ **Partnership** ☐ **Corporation** ☐ **Limited Liability Company**

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

Franchisee acknowledges that this Statement of Ownership applies to the Fencing Business authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to Franchisor in writing.

Date

Name

**ATTACHMENT D
TO FRANCHISE AGREEMENT**

**BY AND BETWEEN SUPERIOR FENCE AND RAIL FRANCHISOR, LLC
AND
_____ (“FRANCHISEE”)
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)**

The undersigned depositor (“**Depositor**”) hereby authorizes SUPERIOR FENCE AND RAIL FRANCHISOR, LLC (“**Company**”) to initiate debit entries and/or credit correction entries to the undersigned’s checking and/or savings account(s) indicated below and the depository designated below (“**Depository**”) to debit such account pursuant to Company’s instructions.

Depositor’s Business Name

Bank Name

Depositor’s Business Address

City, State, Zip Code

Bank Transit/ABA Number

Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor’s termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act. If an erroneous debit entry is initiated to Depositor’s account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

Depositor – Franchisee

Depository – Franchisor

By: _____
Title: _____

By: _____
Title: _____

Date: _____

Date: _____

**ATTACHMENT E
TO FRANCHISE AGREEMENT**

**COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS AND
TELEPHONE LISTINGS AND INTERNET ADDRESSES**

THIS ASSIGNMENT is entered into this _____ day of _____, 20____, in accordance with the terms of the Superior Fence & Rail, Inc.® Franchise Agreement (“**Franchise Agreement**”) between _____ (“**Franchisee**”) and SUPERIOR FENCE AND RAIL FRANCHISOR, LLC, (“**Franchisor**”), executed concurrently with this Assignment, under which Franchisor granted Franchisee the right to own and operate a Fencing Business located at _____.

FOR VALUE RECEIVED, Franchisee hereby assigns to Franchisor (1) those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the “**Telephone Numbers and Listings**”) and (2) those certain Internet website addresses (“**URLs**”) associated with Franchisor’s trade and service marks and used from time to time in connection with the operation of the Fencing Business, as defined in the Franchise Agreement, at the address provided above. This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the telephone company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as “**Telephone Company**”) and/or Franchisee’s internet service provider (“**ISP**”) to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without the extension of Franchisee’s rights to operate the Fencing Business), Franchisor shall have the right and is hereby empowered to effectuate the assignment of the Telephone Numbers and Listings and the URLs, and, in such event, Franchisee shall have no further right, title or interest in the Telephone Numbers and Listings and URLs, and shall remain liable to the Telephone Company and the ISP for all past due fees owing to the Telephone Company and the ISP on or before the effective date of the assignment hereunder.

Franchisee agrees and acknowledges that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Telephone Numbers and Listings and URLs, and Franchisee irrevocably appoints Franchisor as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, to direct the Telephone Company and the ISP to assign same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee shall immediately notify the Telephone Company and the ISP to assign the Telephone Numbers and Listings and URLs to Franchisor. If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Telephone Numbers and Listings and URLs to Franchisor, Franchisor shall direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Telephone Company and the ISP may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Telephone Numbers and Listings and URLs upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Telephone Company's and ISP's receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Telephone Company or the ISP requires that the parties execute the Telephone Company's or the ISP's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

ASSIGNEE:

**SUPERIOR FENCE AND RAIL FRANCHISOR,
LLC**

ASSIGNOR:

By: _____

Name: _____

Title: _____

By: _____

Its: _____

**ATTACHMENT F
TO FRANCHISE AGREEMENT**

**SAMPLE RELEASE AGREEMENT
ACKNOWLEDGMENT OF TERMINATION AND RELEASE AGREEMENT**

This Acknowledgment of Termination and Release Agreement (“**Agreement**”) is entered into this _____ day of _____, 20_____, between SUPERIOR FENCE AND RAIL FRANCHISOR, LLC (“**Franchisor**”) and _____ (“**Franchisee**”). Franchisee and Franchisor will collectively be referred to herein as the “**Parties.**”

RECITALS

WHEREAS, Franchisor and Franchisee entered into that certain franchise agreement (“**Franchise Agreement**”) dated _____, 20_____, in which Franchisor granted Franchisee the right to operate a Fencing Business in the authorized territory (“**Authorized Territory**”) described in Attachment A of the Franchise Agreement; and

WHEREAS, on _____, 20_____, Franchisee’s rights under the terms of the Franchise Agreement were terminated (“**Termination**”).

WHEREAS, the Parties desire to enter into this Agreement for the purpose of acknowledging the Termination; acknowledging Franchisor’s retention of all rights and remedies under the Franchise Agreement including, but not limited to, Franchisor’s right to retain all Initial Franchise Fees, Monthly Branding Royalties, National Branding & Marketing Fees, and any other fees or sums paid to Franchisor or its Affiliates and right to audit Franchisee’s books and records; and fully and finally resolving all legal and equitable claims, known or unknown, of Franchisee existing against Franchisor that were or could have been asserted by Franchisee in any action.

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, the parties hereto hereby covenant, promise and agree as follows:

AGREEMENT

1. Acknowledgment of Termination. Franchisee acknowledges and agrees that all of its rights under the Franchise Agreement and (“**Franchise Documents**”), were fully and finally terminated on _____, 20_____. Franchisee agrees to abide by all provisions which expressly survive the Termination of the Franchise Documents, as more fully set forth in the Franchise Documents.

2. Release by Franchisee. As of the date of this Agreement, Franchisee does hereby compromise, settle, and absolutely, unconditionally, and fully release, discharge, and hold harmless for itself and each of its respective heirs, executors, administrators, representatives, successors, assigns, officers, members, managers, directors, shareholders, employees, partners, and Affiliates (as hereinafter defined) (collectively, the “**Franchisee Releasing Parties**”), Franchisor and its past, present and future officers, directors, agents, attorneys, employees, shareholders, successors, assigns, members, managers, and Affiliates (collectively, the “**Franchisor Released Parties**”), for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions, causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured, including, without limitation, any claim, demand, or cause of action arising out of or in connection with Franchisee’s Fencing Business or the Franchise Documents or any other contractual

relation between Franchisee and Franchisor and/or any Affiliate of Franchisor, which Franchisee Releasing Parties may have had or may now have directly or indirectly against any or all of Franchisor Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. Franchisee Releasing Parties further covenant and agree to never institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in equity, or otherwise assert any claim against any or all of Franchisor Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive relief, or other loss or injury either to person or property, cost, expense, attorneys' fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the date hereof.

[The following language is to be included if the Washington Franchise Investment Protection Act, RCW 19.100, applies: The general release granted under this Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules thereunder.]

3. Release by Franchisor. As of the date of this Agreement, the Franchisor Releasing Parties, hereby fully and forever unconditionally release and discharge Franchisee Released Parties for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions, causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured, including, without limitation, any claim, demand, or cause of action arising out of or in connection with, as a result of, or in any way arising from or related to the Franchise Agreement or the franchise relationship created thereby, which the Franchisor Releasing Parties may have had or may now have directly or indirectly against any or all of the Franchisee Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the Effective Date. Franchisor Releasing Parties' release shall not apply to any monies owed to Franchisor or its Affiliates or Franchisee's obligations to comply with any provisions which expressly survive the termination of the Franchise Agreement, which obligations and covenants continue in full force and affect or to any other rights, obligations, and covenants contained in any other agreement between Franchisor and Franchisee. Except as set forth in the previous sentence, the Franchisor Releasing Parties further covenant and agree never to institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in equity, or otherwise assert any claim against any or all of the Franchisee Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive relief, or other loss or injury to person or property, cost, expense, attorneys' fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the date of this Agreement.

4. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

5. Full Release. Except as is set forth in this Agreement, the Parties intend that this Agreement shall be effective as a full and final accord and satisfaction and release and shall extend to all matters, claims, demands, actions or causes of action of any kind or nature whatsoever which Franchisee Releasing Parties may have against Franchisor Released Parties or which Franchisor Releasing Parties may have against Franchisee Releasing Parties, subject to the limitations described in Section 3 above. The Parties acknowledge that they may hereafter discover facts in addition to, or different from, those which they now know or believe to be true with respect to the subject matter of this Agreement but that, notwithstanding the foregoing, it is their intention hereby to fully, finally, completely and forever settle and release all matters, claims, demands, actions or causes of action, subject to the limitations described in Section 3 above, and that the release given herein shall be and remain irrevocably in effect as a full and complete general release notwithstanding the existence of any such additional or different facts.

6. No Coercion. The Parties acknowledge that they are freely and voluntarily entering into this Agreement, uncoerced by any person, and that they have been advised and afforded the opportunity to seek the advice of legal counsel of their choice with regard to this Agreement.

7. Notices. Any notices given under this Agreement shall be in writing and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

9. Amendments. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto.

10. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia.

11. Jurisdiction. The Parties agree that any disputes relating to the enforcement of this Agreement will be governed by the dispute resolution provisions set out in the Franchise Agreement.

12. Fees and Costs. In any action to enforce, interpret or seek damages for violation of this Agreement, the prevailing Party shall recover all attorney's fees and litigation expenses.

13. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

14. Authorization. Each Party warrants that each individual executing this Agreement on behalf of the respective Parties is fully authorized to do so by each of the respective Parties and each individual executing this Agreement warrants that he or she is acting within the scope of his or her employment and authority in executing this Agreement.

15. Counterparts and Telecopies. This Agreement may be executed in counterparts or by copies transmitted by telecopier, all of which shall be given the same force and effect as the original. This Agreement shall be effective when the signatures of all Parties have been affixed to counterparts or copies.

16. Entirety. This Agreement contains the entire agreement between the Parties related to the subject matter hereof, and in entering into this Agreement, each Party represents that he, she, or it is doing so voluntarily and of his, her or its own free will, and have executed this Agreement below acknowledging that each Party has completely read and fully understands the terms of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:

FRANCHISEE:

**SUPERIOR FENCE AND RAIL FRANCHISOR,
LLC**

Bv: _____

20222023 SUPERIOR FENCE & RAIL, INC.®
50303768v1

B-F-3

[50303768v2](#)

Its: _____

By: _____

Its: _____

**ATTACHMENT G
TO FRANCHISE AGREEMENT**

**SUPERIOR FENCE AND RAIL FRANCHISOR, LLC
SUCCESSOR ADDENDUM TO SUCCESSOR FRANCHISE AGREEMENT**

This Successor Addendum (“**Successor Addendum**”) to the Successor Franchise Agreement is made and entered into this ____ day of _____, 20____, by and between SUPERIOR FENCE AND RAIL FRANCHISOR, LLC (“**Franchisor**”) and _____ (“**Franchisee**”).

BACKGROUND

1. Franchisor and Franchisee entered into a Franchise Agreement dated _____, 20____ (“**Franchise Agreement**”) pursuant to which Franchisee operates a Superior Fence & Rail, Inc.® Fencing Business located in _____. (“**Franchised Business**”).
2. The Franchise Agreement will expire by its own terms on _____, 20_____.
3. Franchisor and Franchisee intend to enter into a successor franchise agreement (“**Successor Franchise Agreement**”) and desire to amend its terms by incorporating the terms of this Successor Addendum into the Successor Franchise Agreement.

AGREEMENT

1. **NO ADDITIONAL SUCCESSOR TERMS.** Franchisor and Franchisee acknowledge and agree that, notwithstanding Section 3 of the Successor Franchise Agreement, Franchisee has no rights to any additional successor terms upon the expiration or termination of the Successor Franchise Agreement. Franchisor, however, reserves the right to offer Franchisee additional successor terms.
2. **MINIMUM ANNUAL SALES QUOTA.** The table in **Section 4.6** is deleted in its entirety and replaced with the following table:

Year	Gross Revenues each Calendar Year
Successor Term	\$250,0000

3. **FRANCHISE FEE.** **Section 5** is amended as follows:
 - A. **Section 5.1** is deleted in its entirety and replaced with the following:

“5.1 The Franchisee shall pay the sum of _____ Dollars (\$_____) plus, if due and payable, all applicable federal, state or municipal taxes, as a non-recurring and non-refundable (subject to Section 5.2) successor franchise fee (“**Successor Franchise Fee**”) per Territory to the Franchisor upon the execution of this Agreement. The Successor Franchise Fee shall be paid by means of certified funds on a bank check. The Successor Franchise Fee shall be deemed to have been fully earned by the Franchisor when paid.”

4. **GUIDANCE AND COACHING AND ASSISTANCE.** **Sections 7.3(c), 7.3(f) and 7.5** are deleted in their entirety.

5. **FRANCHISEE’S DUTIES, OBLIGATIONS AND OPERATING STANDARDS.**
Section 8.2(a) is deleted in its entirety.

6. **ATTACHMENT A.**

In Section 2 of Attachment A, the phrase “Initial Franchise Fee” is replaced with “Successor Franchise Fee” in both the heading and in the first sentence of this section.

7. **RELEASE OF CLAIMS.** As of the date of this Successor Addendum, in consideration for Franchisor entering into the Successor Franchise Agreement, Franchisee does hereby compromise, settle, and absolutely, unconditionally, and fully release, discharge, and hold harmless for itself and each of its respective heirs, executors, administrators, representatives, successors, assigns, officers, members, managers, directors, shareholders, employees, partners, and affiliates (collectively, the “**Franchisee Releasing Parties**”), Franchisor and its past, present and future officers, directors, agents, attorneys, employees, shareholders, successors, assigns, members, managers, and Affiliates (collectively, the “**Franchisor Released Parties**”), for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions, causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured, including, without limitation, any claim, demand, or cause of action arising out of or in connection with Franchisee’s Fencing Business or the Franchise Agreement or any other contractual relation between Franchisee and Franchisor and/or any Franchisor Released Parties, which Franchisee Releasing Parties may have had or may now have directly or indirectly against any or all of Franchisor Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. Franchisee Releasing Parties further covenant and agree to never institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in equity, or otherwise assert any claim against any or all of Franchisor Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive relief, or other loss or injury either to person or property, cost, expense, attorneys’ fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the date hereof.

8. **MISCELLANEOUS.** This Successor Addendum will be binding upon and inure to the benefit of each party and to each party’s respective successors and assigns. Any terms not defined in this Successor Addendum have the meaning given to the terms in the Successor Franchise Agreement.

9. **NO FURTHER CHANGES.** Except as specifically provided in this Successor Addendum, all of the terms, conditions and provisions of the Successor Franchise Agreement will remain in full force and effect as originally written and signed.

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed this Successor Addendum as of the date first above written.

FRANCHISEE:

By: _____
Its: _____

FRANCHISOR:

**SUPERIOR FENCE AND RAIL FRANCHISOR,
LLC**

By: _____
Its: _____

**ATTACHMENT H
TO FRANCHISE AGREEMENT**

**SUPERIOR FENCE AND RAIL FRANCHISOR, LLC
~~MULTI-UNIT~~AGGREGATE REPORTING ADDENDUM TO FRANCHISE AGREEMENT**

This ~~Multi-Unit~~Aggregate Reporting Addendum ("~~Multi-Unit~~Aggregate Reporting Addendum") to the Franchise Agreement is made and entered into this _____ day of _____, 20_____, by and between SUPERIOR FENCE AND RAIL FRANCHISOR, LLC ("**Franchisor**") and _____ ("**Franchisee**").

BACKGROUND

1. Franchisor and Franchisee are parties to the Franchise Agreements listed in Exhibit A to this ~~Multi-Unit~~Aggregate Reporting Addendum (the "**Franchise Agreements**") pursuant to which Franchisee operates a Superior Fence & Rail, Inc.® franchise at the locations listed in Exhibit A (the "**Franchised Businesses**") in the territories described in the Franchise Agreements (the "**Territories**").

2. Franchisor and Franchisee now desire to modify the provisions of the Franchise Agreements as a result of Franchisee owning multiple Franchised Businesses.

AGREEMENT

1. **SINGLE BUSINESS LOCATION.** Franchisor and Franchisee acknowledge and agree that Franchisee will operate the Franchised Businesses from a single business location.

2. **MINIMUM ANNUAL SALES QUOTA.** Franchisor and Franchisee acknowledge and agree that for purposes of calculating the Minimum Annual Sales Quotas described in the Franchise Agreements, Franchisee will not aggregate the Gross Revenues of each of the Franchised Businesses operating under the Franchise Agreements, and Franchisee must meet the Minimum Annual Sales Quota in each Territory.

3. **MONTHLY ROYALTY FEE AND MARKETING FEE.** Provided that Franchisee is in full compliance with the terms of the Franchise Agreements, Franchisor and Franchisee acknowledge and agree that for purposes of determining the Year-to-Date Gross Revenue and Monthly Branding Royalty, Franchisee may aggregate the Gross Revenues of each of the Franchised Businesses operating under the Franchise Agreements.

4. **ROYALTY REPORTS.** Franchisor and Franchisee acknowledge and agree that Franchisee's statement of the previous month's Gross Revenues may include the Gross Revenues of all of the Franchised Businesses operating under the Franchise Agreements and that it may submit one royalty report for its Franchised Businesses operating from a single business location.

5. **TECHNOLOGY FEES.** Franchisor and Franchisee acknowledge and agree that Franchisee will utilize the same technology package for all of its Franchised Businesses, and Franchisor will only require Franchisee to pay the applicable technology fees as if Franchisee was only operating one Franchised Business.

6. **RELEASE OF CLAIMS.** As of the date of, and in consideration for Franchisor entering into this ~~Multi-Unit~~Aggregate Reporting Addendum, Franchisee does hereby compromise, settle, and absolutely, unconditionally, and fully release, discharge, and hold harmless for itself and each of its

respective heirs, executors, administrators, representatives, successors, assigns, officers, members, managers, directors, shareholders, employees, partners, and affiliates (collectively, the “**Franchisee Releasing Parties**”), Franchisor and its past, present and future officers, directors, agents, attorneys, employees, shareholders, successors, assigns, members, managers, and Affiliates (collectively, the “**Franchisor Released Parties**”), for all purposes, of and from any and all claims, debts, demands, damages, costs, expenses, actions, causes of action, or suits of any kind whatsoever, at common law, statutory or otherwise, whether now known or not, whether contingent or matured, including, without limitation, any claim, demand, or cause of action arising out of or in connection with Franchisee’s Fencing Businesses or the Franchise Agreements or any other contractual relationship between Franchisee and Franchisor and/or any Franchisor Released Parties, which Franchisee Releasing Parties may have had or may now have directly or indirectly against any or all of Franchisor Released Parties based upon or arising out of any event, act, or omission that has occurred prior to the date hereof. Franchisee Releasing Parties further covenant and agree to never institute, prosecute or assist others to institute or prosecute, or in any way aid any claim, suit, action at law or in equity, or otherwise assert any claim against any or all of Franchisor Released Parties for any damages (actual, consequential, punitive or otherwise), injunctive relief, or other loss or injury either to person or property, cost, expense, attorneys’ fees, amounts paid on account of recovery or settlement, or any other damage or harm whatsoever, based upon or arising out of any event, act, or omission that has occurred prior to the date hereof.

7. **MISCELLANEOUS.** This ~~Multi-Unit~~[Aggregate Reporting](#) Addendum will be binding upon and inure to the benefit of each party and to each party’s respective successors and assigns. Any terms not defined in this ~~Multi-Unit~~[Aggregate Reporting](#) Addendum have the meaning given to the terms in the Franchise Agreements.

8. **NO FURTHER CHANGES.** Except as specifically provided in this ~~Multi-Unit~~[Aggregate Reporting](#) Addendum, all of the terms, conditions and provisions of the Franchise Agreements will remain in full force and effect as originally written and signed.

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed this ~~Multi-Unit~~[Aggregate Reporting](#) Addendum as of the date first above written.

FRANCHISEE:

By: _____
Its: _____

FRANCHISOR:

**SUPERIOR FENCE AND RAIL
FRANCHISOR, LLC**

By: _____
Its: _____

Exhibit A

Date of Franchise Agreement	Franchised Business Location

**ATTACHMENT I
TO FRANCHISE AGREEMENT**

SOFTWARE LICENSE AGREEMENT

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC., a Delaware limited liability company, having its principal office at 2426 Old Brick Road, Glen Allen, VA 23060 (“Franchisor”), hereby grants this computer software license (“License”) to _____ with offices at _____ (“Franchisee”), upon the terms set forth in this Agreement and subject to all the terms of the Superior Fence & Rail, Inc.® Franchise Agreement between Franchisor and Franchisee dated _____ (“Franchise Agreement”);

1. License Grant: Franchisor grants to Franchisee one non-exclusive license (“License”) of the Superior Fence & Rail Customer Relationship Management Software Application, including subsequent updates (hereinafter, the “Superior CRM”) and any other software Franchisor may make available for use within the Superior Fence & Rail, Inc.® franchise system (together, the “Product”), so long as this Agreement remains in effect, to each employee of Franchisee (hereinafter, the “User”) that is required to use the Superior CRM pursuant to the Franchise Agreement. This License does not extend to any party other than a User, even if they use the same computer equipment. Franchisee may change the computer on which Franchisee is authorized to use the Product to another computer within Franchisee’s immediate organization only if the Product is no longer used on the former computer. Except as otherwise agreed upon in writing by the parties, the Product licensed under this Agreement shall not include upgrades to the product which add additional features or functionality to the existing product.

2. Title: All right, title and interest in the Product, including without limitation, all copyrights, trade secrets, and other intellectual property rights pertaining thereto shall remain the sole and exclusive property of the Franchisor, subject only to the License granted under this Agreement. Franchisee does not claim any title or ownership of the Product.

3. Term: This License shall run for a period of one year (“Period”) and will be automatically renewed from Period to Period: (a) unless written notice to the contrary is given by Franchisor, (b) Franchisee fails to pay any license fee and/or monthly maintenance fee, or (c) this License is terminated for another reason, including violations of other terms of this Agreement or terms of the Franchise Agreement.

4. Payment for Use and Maintenance of Product: During the term of this Agreement and upon commencing its Superior Fence & Rail, Inc.® franchise business, Franchisee must pay ~~Franchisor an initial software license fee equal to \$2,500 before Franchisee attends the initial training program, plus~~ a monthly Technology Fee as described in the Franchise Agreement. Failure to make any payments due under this Agreement and the Franchise Agreement shall entitle Franchisor to the rights and remedies described in paragraph 12.

5. Maintenance: Franchisor or its agent will be responsible for maintaining the Product. Franchisee is required to maintain, at its expense, all hardware and additional software necessary for the operation of the Business and for use of the Product, including but not limited to computers, telephone and/or broadband lines for simultaneous voice and internet connection with Franchisor. The technical support Franchisor provides will include responses to questions related to the use of the Product, assistance in installing and using the Product and assistance in installing and using any Product updates offered. Franchisor will not provide support for the computer equipment, third party software products, non-current versions of the Product, or general operating systems.

6. Training: The Product's initial license fee covers the cost of initial training of the Users, either at Franchisor's offices or over the telephone. Franchisor or an agent it designates may provide additional training Franchisee requests provided that Franchisee will be obligated to pay any fees and costs associated with such training.

7. Making Copies and Other Manipulation of the Product: Franchisee must not copy, disassemble decompile or otherwise reverse-engineer the Product in whole or in part, nor permit other persons or entities to do so. Franchisee agrees not to create derivative works from the Product, or use or attempt to obtain any techniques, algorithms, processes, trade secrets or proprietary information contained in the Product. Franchisee shall not use the Product in a manner that would infringe on the rights of any third party, is illegal, or for any purpose other than for the operation of the franchise as permitted by the Franchise Agreement.

8. Protection of Product. Franchisee agrees not to make available to any party the Product or any of its parts other than the Users. Franchisee agrees that all Users gaining access to the Product shall have confidentiality and non-disclosure agreements in place with Franchisee prior to gaining access. Franchisee recognizes that the Product is Franchisor's copyrighted property and represents a large investment of human and financial resources of Franchisor, is a trade secret of Franchisor, and contains confidential information. Franchisee agrees to keep the Product and all related materials confidential. Franchisee has industry standard security procedures in place and will use its best effort, including implementing any additional security precautions as Franchisor may reasonably request, to ensure that the proprietary rights of Franchisor are preserved to the fullest extent possible under the law. In addition to the rights described under paragraph 12 of this Agreement, Franchisor can seek appropriate injunctive relief, including all fees associated therewith, in connection with any violation of this Section 8 or Franchisor's copyrighted materials or trade secrets, and can bring an action at law where appropriate.

9. Assignment, Transfer and Sub-Licensing: This License cannot be assigned or sublicensed by Franchisee to any other person or entity, unless advance written authorization is given by Franchisor's President or Chief Executive Officer to do so. Franchisee cannot rent, lease, transfer, network, reproduce, display, or otherwise distribute the Product except as specifically provided in this License. Franchisee understands that unauthorized reproduction of

copies or use, or transfer of the Product will entitle Franchisor to recover damages and reasonable attorney's fees for enforcing its rights under this Agreement.

10. Limited Warranty and Disclaimer of Liability: Franchisor does not and cannot warrant the performance or results that may be obtained by use of the Product. Franchisee acknowledges that the Product is of such complexity that it may have certain defects when delivered and used. Franchisee agrees that Franchisor's sole liability will be to correct program errors in the Product. Franchisor will not be responsible for correcting problems due to: (a) defects in Franchisee's computer hardware, (b) interaction with other non-standard software, or (c) Franchisee's incorrect handling of or use of the Product. All warranties hereunder extend only to the Franchisee. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, STATUTORY OR OTHERWISE, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

11. Limitation of Liability: FRANCHISOR IS NOT LIABLE OR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS FROM ANY CAUSE ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PRODUCT, NOR FOR ANY CLAIM OR DEMAND BY OR AGAINST FRANCHISEE. THIS LIMITATION OF LIABILITY DOES NOT APPLY TO LIABILITY FOR DEATH OR PERSONAL INJURY TO THE EXTENT APPLICABLE LAW PROHIBITS SUCH LIMITATION. FURTHERMORE, SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THIS LIMITATION AND EXCLUSION MAY NOT APPLY TO FRANCHISEE. IN NO EVENT SHALL FRANCHISOR'S LIABILITY TO FRANCHISEE UNDER THIS AGREEMENT EXCEED THE AMOUNT PAID TO FRANCHISOR BY FRANCHISEE UNDER THIS AGREEMENT.

12. Termination by Franchisor: The parties agree that any of the following will be a default under the terms of this Agreement, will entitle Franchisor to terminate this Agreement, and will authorize Franchisor to terminate Franchisee's access to the Product upon ten (10) days written notice, or as written notice is required under the terms of Franchisee's Franchise Agreement, whichever is less:

- a. Failure to maintain Franchisee's SUPERIOR FENCE franchise in good standing;
- b. Failure to make timely payments of any kind to Franchisor, and failure to timely cure such delinquent payments within the cure period prescribed under the Franchise Agreement;
- c. Failure to comply with any and all of the terms and/or covenants of this Agreement or the Franchise Agreement;
- d. Termination of the Franchise Agreement for any reason;

- e. Franchisee's declaration of bankruptcy or in the event of Franchisee's insolvency;
- f. Appointment on behalf of Franchisee of a trustee or receiver.

Upon termination of this Agreement, Franchisee will immediately deliver to Franchisor all Products and copies of Products and related materials in its possession including, but not limited to, the original Superior CRM and a complete backup of the data on a zip disk.

Even if Franchisor enforces its rights under this paragraph 12, Franchisor can also enforce any and all other right(s) and/or remedies it may have under law and/or under the terms of this Agreement and/or the Franchise Agreement.

13. Termination by Franchisee: If Franchisor materially breaches this Agreement, Franchisee must give Franchisor written notice of the breach. Franchisor will have thirty (30) days from the date notice provided to cure the breach. If the breach is not cured within the thirty (30) day period, Franchisee will be entitled to immediately terminate this Agreement by providing written notice of its intent to terminate to the Franchisor.

14. Miscellaneous: If any part of this Agreement is found to be unenforceable, such findings will not invalidate the other parts of this Agreement. This Agreement expresses the entire understanding of the parties with respect to the subject matter herein. This Agreement will be construed in accordance with the laws of the State of Virginia, and will be deemed to have been made in the State of Virginia. This Agreement may not be changed orally, but only by an agreement in writing and signed by the party against whom enforcement of any change is sought. Modifications may only be approved on behalf of the Franchisor by its President or Chief Executive Officer.

[Signatures Appear on Following Page]

Signed and effective this ____ day of _____, 20____.

FRANCHISEE:

FRANCHISOR:

**SUPERIOR FENCE AND RAIL
FRANCHISOR, LLC**

By: _____

Its: _____

By: _____

Its: _____

Document comparison by Workshare Compare on Wednesday, January 18, 2023 12:43:22 PM

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Document 2 ID	iManage://work.lathropgpm.com/active/50303768/2
Description	#50303768v2<work.lathropgpm.com> - 2023 Superior Fence Franchise Agreement
Rendering set	Standard

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<u>Insertion</u>	
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Style change	
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Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	39
Deletions	41
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	80

EXHIBIT C

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

**LIST OF CURRENT FRANCHISEES AND
FRANCHISEES WHO HAVE LEFT THE SYSTEM**

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

Franchisees as of September 30, ~~2021~~2022

TERRITORY NAME		OWNER(S)	STREET	CITY	STATE	ZIP	PHONE	E-MAIL
Location	Owner(s)		Street Address	City	State	Zip	Phone	Email
Superior Fence & Rail of Birmingham, AL - 1	Dustin Taylor and Ralph Barden Tim Rogers and Terry Rogers		TBD 3437 Townes Circle	Hoover	AL	35244	(850) 602-6525 (205) 617-4322	birmingham@superiorfenceandrail.com
Superior Fence & Rail of Birmingham - 2	Tim Rogers and Terry Rogers		3437 Townes Circle	Hoover	AL	35244	(205) 617-4322	birmingham@superiorfenceandrail.com
Superior Fence & Rail of Northwest Arkansas (aka Springdale, NW Arkansas)	Calvin Smith, - Chris Barton, - Alex Baldwin, and - Chris Elkins		2215 Esi Drive	Springdale	AR	72764	(479) 439-1940	arkansas@superiorfenceandrail.com
*Superior Fence & Rail of Orange County - 1	Sacha Medina		8186 Noelle Drive	Huntington Beach	CA	92646	(949) 423-9817	sacha.medina@superiorfenceandrail.com
*Superior Fence & Rail of Orange County - 2	Sacha Medina		8186 Noelle Drive	Huntington Beach	CA	92646	(949) 423-9817	sacha.medina@superiorfenceandrail.com
*Superior Fence & Rail of Orange County - 3	Sacha Medina		8186 Noelle Drive	Huntington Beach	CA	92646	(949) 423-9817	sacha.medina@superiorfenceandrail.com
*Superior Fence & Rail of Orange County - 4	Sacha Medina		8186 Noelle Drive	Huntington Beach	CA	92646	(949) 423-9817	sacha.medina@superiorfenceandrail.com
*Superior Fence & Rail of Orange County - 5	Sacha Medina		8186 Noelle Drive	Huntington Beach	CA	92646	(949) 423-9817	sacha.medina@superiorfenceandrail.com
*Superior Fence & Rail of Orange County - 6	Sacha Medina		8186 Noelle Drive	Huntington Beach	CA	92646	(949) 423-9817	sacha.medina@superiorfenceandrail.com
*Superior Fence & Rail of Orange County - 7	Sacha Medina		8186 Noelle Drive	Huntington Beach	CA	92646	(949) 423-9817	sacha.medina@superiorfenceandrail.com
*Superior Fence & Rail of North San Diego - 1	Robert John and Ashlee Ey		4253 Woodland Dr.	La Mesa	CA	91941	(408) 914-8442	bob.ey@superiorfenceandrail.com
*Superior Fence & Rail of North San Diego - 2	Robert John and Ashlee Ey		4253 Woodland Dr.	La Mesa	CA	91941	(408) 914-8442	bob.ey@superiorfenceandrail.com
*Superior Fence & Rail of North San Diego - 3	Robert John and Ashlee Ey		4253 Woodland Dr.	La Mesa	CA	91941	(408) 914-8442	bob.ey@superiorfenceandrail.com
*Superior Fence & Rail of Northern Colorado - 1	Jared Frazier and James Stern		4144 Fern Ave.	Bloomfield	CO	80020	(303) 358-6969	jared.frazier@superiorfenceandrail.com
*Superior Fence & Rail of Northern Colorado - 2	Jared Frazier and James Stern		4144 Fern Ave.	Bloomfield	CO	80020	(303) 358-6969	jared.frazier@superiorfenceandrail.com
Superior Fence & Rail of West Connecticut (aka Fairfield)	Michael Picone and Lyle Gal		118 Walnut Grove Road	Ridgefield	CT	06877	(203) 383-0419	connecticut@superiorfenceandrail.com
Superior Fence & Rail of Gainesville	John Erickson - Garrett Berdanier - Matthew Grover		12526 SW State Road 45	Archer	FL	32618	(352) 665-7087	gainesville@superiorfenceandrail.com

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

Franchisees as of September 30, ~~2021~~2022

TERRITORY NAME		OWNER(S)	STREET	CITY	STATE	ZIP	PHONE	E-MAIL
Location	Owner(s)		Street Address	City	State	Zip	Phone	Email
Superior Fence & Rail of Pasco County	Jose Luis Vieira and Maria Luisa De Freitas		12526 SW State Road 45	Archer	FL	32618	(727) 619-2741	pasco@superiorfenceandrail.com
Superior Fence & Rail of Broward County	Salome Dominguez and Tomas Trestini		841 NW 57th Place	Fort Lauderdale	FL	33309	(954) 512-0359	broward@superiorfenceandrail.com
Superior Fence & Rail of SW Florida (aka Fort Myers)	Gary Locke		2925 Warehouse Road	Fort Myers	FL	33916	(239) 229-0237	fort-myers@superiorfenceandrail.com
Brevard County	Todd Paroline		1730 Baldwin Street	Rockledge	FL	32955	321-636-2829	melbourne@superiorfenceandrail.com
Clearwater Superior Fence & Rail of Pinellas County (aka Clearwater)	Michael Crosby		1400 Starkey Road	Largo	FL	33771	727-536-1905 (727) 536-1905	largo@superiorfenceandrail.com
Superior Fence & Rail of Lake County	Spiro Dimitriou		307 North Blvd East	Leesburg	FL	34748	(352) 888-4000	leesburg@superiorfenceandrail.com
Superior Fence & Rail of Brevard County	Todd Paroline		2778 N Harbour City Blvd	Melbourne	FL	32935	(321) 636-2829	melbourne@superiorfenceandrail.com
Fort Pierce/Treasure Coast	Glen Poole		415 Angel Road	Ft. Pierce	FL	34947	772-237-3853	port-st-lucie@superiorfenceandrail.com
Superior Fence & Rail of Pensacola	Dustin Taylor and Ralph Barden		2906 Avalon Boulevard Road	Milton	FL	32583	850-706-7710 (850) 602-6525	pensacola@superiorfenceandrail.com
Polk County/Winter Haven	K. Morrison				FL		863-229-2762	winter-haven@superiorfenceandrail.com
Lake County	Spiro Dimitriou		8788 Powder Ridge Trail	Windermere	FL	34786	352-728-4416	leesburg@superiorfenceandrail.com
Denver, CO	Jeff McKenna and Manuel Rabelo		99 S. New York Avenue	Winter Park	FL	32789	(720) 674-0670	denver@superiorfenceandrail.com
Broward County	Salome Dominguez and Tomas Trestini		841 NW 57th Place	Fort Lauderdale	FL	33309	(954) 512-0359	broward@superiorfenceandrail.com
Superior Fence & Rail of Volusia (aka Daytona)	Mario Nicoletti and Horace Thompson		18 Hargrove Grade, Unit 112	Palm Coast	FL	32137	(386) 253-3623	daytona-beach@superiorfenceandrail.com
Fort Myers/SWFL	Gary Locke		2925 Warehouse Road	Fort Myers	FL	33916	(239) 229-0237	fort-myers@superiorfenceandrail.com
Gainesville	John Erickson, Garrett Berdanier,		12526 SW State Road 45	Archer	FL	32618	(352) 665-7087	gainesville@superiorfenceandrail.com
Superior Fence & Rail of Palm Beach	Eric and Nicole Stanbra		613 Industrial Street 2976 Lark Road	Lake Worth Palm Springs	FL	33461 33406	(321) 298-4470	boynton-beach@superiorfenceandrail.com
Superior Fence & Rail of Treasure Coast (aka Fort Pierce)	Glen Poole		1053 Country Holbrook Circle	Port St. Lucie	FL	34952	(772) 224-8115	port-st-lucie@superiorfenceandrail.com
Pasco County	Jose Luis Vieira and Maria Luisa De Freitas		12526 SW State Road 45	Archer	FL	32618	(727) 619-2741	pasco@superiorfenceandrail.com
Superior Fence & Rail of Sarasota	Alejandro Tovar Diaz		2383 Industrial Blvd.	Sarasota	FL	34234	(954) 512-0359	sarasota@superiorfenceandrail.com

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

Franchisees as of September 30, ~~2021~~2022

TERRITORY NAME		OWNER(S)	STREET	CITY	STATE	ZIP	PHONE	E-MAIL
Location	Owner(s)		Street-Address	City	State	Zip	Phone	Email
Superior Fence & Rail of Atlanta*	Cam Bradford - Bobby Booth - Mike McNeilly		1305 E. Plant Street	Winter Garden	FL	34787	(407) 963-2042	atlanta@superiorfenceandrail.com
Superior Fence & Rail of Winston-Salem	Cam Bradford - Bobby Booth - Mike McNeilly		1305 E. Plant Street	Winter Garden	FL	34787	(407) 963-2042	greensboro@superiorfenceandrail.com
Superior Fence & Rail of Triad (aka Greensboro)	Cam Bradford - Bobby Booth - Mike McNeilly		1305 E. Plant Street	Winter Garden	FL	34787	(407) 963-2042	greensboro@superiorfenceandrail.com
Superior Fence & Rail of Denver - 1	Jeff McKenna and Manuel Rabelo		99 S. New York Avenue	Winter Park	FL	32789	(720) 674-0670	denver@superiorfenceandrail.com
Superior Fence & Rail of Denver - 2	Jeff McKenna and Manuel Rabelo		99 S. New York Avenue	Winter Park	FL	32789	(720) 674-0670	denver@superiorfenceandrail.com
Superior Fence & Rail of Denver - 3	Jeff McKenna and Manuel Rabelo		99 S. New York Avenue	Winter Park	FL	32789	(720) 674-0670	denver@superiorfenceandrail.com
Superior Fence & Rail of Polk County (aka Winter Haven)	Ken Morrison		3060 Dundee Road	Winterhaven	FL	33884	(863) 229-2762	winter-haven@superiorfenceandrail.com
Superior Fence & Rail of Athens	Kimberly and Kevin Meyers		28 Keri Lane	Athens	GA	30607	(706) 215-7002	georgia@superiorfenceandrail.com
*Superior Fence & Rail of Northwest Georgia	James (Steve) Dutton		543 Brooks Rackley Road	Dallas	GA	30157	(770) 826-6002	steve.dutton@superiorfenceandrail.com
*Superior Fence & Rail of Middle Georgia	Joey Brumbelow		4901 Brittany Drive	Macon	GA	31210	(478) 960-5811	joey.brumbelow@superiorfenceandrail.com
*Superior Fence & Rail of Savannah	Tyler Pratt		11 Gentry St	Pooler	GA	31322	(904) 382-2221	savannah@superiorfenceandrail.com
Superior Fence & Rail of South Atlanta	Paul Evans		396 Senoia Road	Tyrone	GA	30290	(770) 710-8469	south-atlanta@superiorfenceandrail.com
Greenville*	Garrett NeSmith		94 Karland Drive NW	Atlanta	GA	30305	(404) 441-5825	greenville@superiorfenceandrail.com
Superior Fence & Rail of Boise* (aka Greenleaf)	David Damrath		20990 Simplot Blvd.	Greenleaf	ID	83626	(208) 999-0985	treasure-valley@superiorfenceandrail.com
Superior Fence & Rail of Chicago - 1	Chad Capista - Nick Leja - Eric Graham		1280 W Kennicott Drive	Lake Forest	IL	60045	(847) 346-7417	chicago@superiorfenceandrail.com
Superior Fence & Rail of Chicago - 2	Chad Capista - Nick Leja - Eric Graham		1280 W Kennicott Drive	Lake Forest	IL	60045	(847) 346-7417	chicago@superiorfenceandrail.com
Superior Fence & Rail of Chicago - 3	Chad Capista - Nick Leja - Eric Graham		1280 W Kennicott Drive	Lake Forest	IL	60045	(847) 346-7417	chicago@superiorfenceandrail.com
Superior Fence & Rail of Chicago - 4	Chad Capista - Nick Leja - Eric Graham		1280 W Kennicott Drive	Lake Forest	IL	60045	(847) 346-7417	chicago@superiorfenceandrail.com
Superior Fence & Rail of Chicago - 5	Chad Capista - Nick Leja - Eric Graham		1280 W Kennicott Drive	Lake Forest	IL	60045	(847) 346-7417	chicago@superiorfenceandrail.com

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

Franchisees as of September 30, ~~2021~~2022

TERRITORY NAME		OWNER(S)	STREET	CITY	STATE	ZIP	PHONE	E-MAIL
Location	Owner(s)		Street-Address	City	State	Zip	Phone	Email
Superior Fence & Rail of Indianapolis - 1	Alan and Mary Jackson		4983 Deer Ridge Drive S.	Carmel	IN	46033	(248) 821-2526	indianapolis@superiorfenceandrail.com
Superior Fence & Rail of Indianapolis - 2	Alan and Mary Jackson		4983 Deer Ridge Drive S.	Carmel	IN	46033	(248) 821-2526	indianapolis@superiorfenceandrail.com
Superior Fence & Rail of Indianapolis - 3	Alan and Mary Jackson		4983 Deer Ridge Drive S.	Carmel	IN	46033	(248) 821-2526	indianapolis@superiorfenceandrail.com
*Superior Fence & Rail of Owensboro	Shawn King		9400 Denzer Road	Evansville	IN	47720	(812) 760-6845	shawn.king@superiorfenceandrail.com
*Superior Fence & Rail of Kansas City - 1	Jason Norris		629 Fairway Street	Prairie Village	KS	66208	(913) 314-7790	jason.norris@superiorfenceandrail.com
*Superior Fence & Rail of Kansas City - 2	Jason Norris		629 Fairway Street	Prairie Village	KS	66208	(913) 314-7790	jason.norris@superiorfenceandrail.com
*Superior Fence & Rail of Kansas City - 3	Jason Norris		629 Fairway Street	Prairie Village	KS	66208	(913) 314-7790	jason.norris@superiorfenceandrail.com
*Superior Fence & Rail of Kansas City - 4	Jason Norris		629 Fairway Street	Prairie Village	KS	66208	(913) 314-7790	jason.norris@superiorfenceandrail.com
Superior Fence & Rail of Louisville - 1	Brett Blevins		1460 Cayton Road	Florence	KY	41042	(859) 620-0041	brett.blevins@superiorfenceandrail.com
Superior Fence & Rail of Louisville - 2	Brett Blevins		1460 Cayton Road	Florence	KY	41042	(859) 620-0041	brett.blevins@superiorfenceandrail.com
Superior Fence & Rail of Northern Kentucky - 1	Brett Blevins		1460 Cayton Road	Florence	KY	41042	(859) 620-0041	brett.blevins@superiorfenceandrail.com
Superior Fence & Rail of Northern Kentucky - 2	Brett Blevins		1460 Cayton Road	Florence	KY	41042	(859) 620-0041	brett.blevins@superiorfenceandrail.com
*Superior Fence & Rail of Greater Lexington - 1	Matthew Lyle Barnes & Megan Barnes		1273 Litchfield Lane	Lexington	KY	40513	(859) 810-1769	matt.barnes@superiorfenceandrail.com
*Superior Fence & Rail of Greater Lexington - 2	Matthew Lyle Barnes & Megan Barnes		1273 Litchfield Lane	Lexington	KY	40513	(859) 810-1769	matt.barnes@superiorfenceandrail.com
Western Superior Fence & Rail of SW Michigan/Grand Rapids	Kyle Brinks and Phil Haan		1721 Whitfield Road SE	Grand Rapids	MI	49506	(616) 550-5256	grandrapids@superiorfenceandrail.com
Superior Fence & Rail of West Michigan (aka Grand Rapids)	Kyle Brinks - Phil Haan - Matt Ludeman		2258 Englewood Drive SE	Grand Rapids	MI	49506	(616) 550-5256	swmichigan@superiorfenceandrail.com
*Superior Fence & Rail of Detroit - 1	Chad Capista and Nick Leja		23782 Seminole Trail	Novi	MI	48677	(248) 514-6777	detroit@superiorfenceandrail.com
*Superior Fence & Rail of Detroit - 2	Chad Capista and Nick Leja		23782 Seminole Trail	Novi	MI	48677	(248) 514-6777	detroit@superiorfenceandrail.com
*Superior Fence & Rail of	Chad Capista and Nick		23782 Seminole Trail	Novi	MI	48677	(248) 514-6777	detroit@superiorfenceandrail.com

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

Franchisees as of September 30, ~~2021~~2022

TERRITORY NAME		OWNER(S)	STREET	CITY	STATE	ZIP	PHONE	E-MAIL
Location	Owner(s)		Street-Address	City	State	Zip	Phone	Email
Detroit - 3	Leja							
*Superior Fence & Rail of Detroit - 4	Chad Capista and Nick Leja		23782 Seminole Trail	Novi	MI	48677	(248) 514-6777	detroit@superiorfenceandrail.com
*Superior Fence & Rail of Minneapolis - 1	Jeff and Peggy Fast		17728 88th Avenue N	Maple Grove	MN	55311	(763) 229-7323	jeff.fast@superiorfenceandrail.com
*Superior Fence & Rail of Minneapolis - 2	Jeff and Peggy Fast		17728 88th Avenue N	Maple Grove	MN	55311	(763) 229-7323	jeff.fast@superiorfenceandrail.com
*Superior Fence & Rail of Minneapolis - 3	Jeff and Peggy Fast		17728 88th Avenue N	Maple Grove	MN	55311	(763) 229-7323	jeff.fast@superiorfenceandrail.com
*Superior Fence & Rail of Minneapolis - 4	Jeff and Peggy Fast		17728 88th Avenue N	Maple Grove	MN	55311	(763) 229-7323	jeff.fast@superiorfenceandrail.com
Superior Fence & Rail of St. Paul - 1	Jay Rane		202 N Cedar Ave., Suite 1	Owatonna	MN	55060	(832) 207-6027	jay.rane@superiorfenceandrail.com
Superior Fence & Rail of St. Paul - 2	Jay Rane		202 N Cedar Ave., Suite 1	Owatonna	MN	55060	(832) 207-6027	jay.rane@superiorfenceandrail.com
Superior Fence & Rail of St. Paul - 3	Jay Rane		202 N Cedar Ave., Suite 1	Owatonna	MN	55060	(832) 207-6027	jay.rane@superiorfenceandrail.com
*Superior Fence & Rail of St. Louis - 1	Rebecca Voss		985 Silver Buck Lane	Chesterfield	MO	63005	(636) 368-7497	becky.voss@superiorfenceandrail.com
*Superior Fence & Rail of St. Louis - 2	Rebecca Voss		985 Silver Buck Lane	Chesterfield	MO	63005	(636) 368-7497	becky.voss@superiorfenceandrail.com
*Superior Fence & Rail of St. Louis - 3	Rebecca Voss		985 Silver Buck Lane	Chesterfield	MO	63005	(636) 368-7497	becky.voss@superiorfenceandrail.com
*Superior Fence & Rail of St. Louis - 4	Rebecca Voss		985 Silver Buck Lane	Chesterfield	MO	63005	(636) 368-7497	becky.voss@superiorfenceandrail.com
*Superior Fence & Rail of St. Louis - 5	Rebecca Voss		985 Silver Buck Lane	Chesterfield	MO	63005	(636) 368-7497	becky.voss@superiorfenceandrail.com
*Superior Fence & Rail of Springfield	Michael Burton		1449 W Nettleton Court	Springfield	MO	65810	(417) 536-1060	mike.burton@superiorfenceandrail.com
*Superior Fence & Rail of Tulsa	Michael Burton		1449 W Nettleton Court	Springfield	MO	65810	(417) 536-1060	tulsa@superiorfenceandrail.com
Superior Fence & Rail of Jackson**	Jason Winston		139 Dogwood Trace	Brandon	MS	39042	(601) 270-6611	jackson@superiorfenceandrail.com
Gulfport/Superior Fence & Rail of North Shore (aka Gulfport)	Dustin Taylor and Ralph Barden		2800 West 33rd Street, Suite A	Gulfport	MS	39501	(985) 500-3276	northshore@superiorfenceandrail.com
*Superior Fence & Rail of	Randy Jeppesen and Ryan		730 Commerce Drive	Concord	NC	28025	(904) 608-3861	charlotte@superiorfenceandrail.com

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

Franchisees as of September 30, ~~2021~~2022

TERRITORY NAME		OWNER(S)	STREET	CITY	STATE	ZIP	PHONE	E-MAIL
Location	Owner(s)		Street Address	City	State	Zip	Phone	Email
Charlotte - 2	Gamble							
Greensboro, SC*	Cam Bradford, Bobby Booth, Mike McNeilly		TBD		NC		(407) 963-2042	greensboro@superiorfenceandrail.com
*Superior Fence & Rail of Charlotte - 3	Randy Jeppesen and Ryan Gamble		730 Commerce Drive	Concord	NC	28025	(904) 608-3861	charlotte@superiorfenceandrail.com
Superior Fence & Rail of Raleigh	Cam Bradford, - Bobby Booth, - Mike McNeilly		807 Center Street	Apex	NC	27502	(919) 335-4008	raleigh@superiorfenceandrail.com
Superior Fence & Rail of Charlotte	Randy Jeppesen and Ryan Gamble		730 Commerce Drive	Concord	NC	28025	(904) 608-3861	charlotte@superiorfenceandrail.com
Superior Fence & Rail of Eastern NC - 1	William Casey		2381 Kay Road	Greenville	NC	27858	(252) 916-8847	bill.casey@superiorfenceandrail.com
Superior Fence & Rail of Eastern NC - 2	William Casey		2381 Kay Road	Greenville	NC	27858	(252) 916-8847	bill.casey@superiorfenceandrail.com
Superior Fence & Rail of Wilmington	Walt and Jennifer Wilson		3525 Carolina Beach Road	Wilmington	NC	23060	(336) 399-0992	wilmington@superiorfenceandrail.com
Superior Fence & Rail of Omaha	Stephani and Darren Jackson		14808 Shepard Street, Suite 700	Omaha	NE	68138	(402) 830-9058	omaha@superiorfenceandrail.com
Superior Fence & Rail of Central Jersey	Ryan Wydrinski		16 Kopak Way	Spotswood	NJ	08884	(732) 266-3954	centraljersey@superiorfenceandrail.com
*Superior Fence & Rail of Akron	Keven and Kelly Heil		8161 Leatherman Road	Wadsworth	OH	44281	(330) 354-9616	Keven.heil@superiorfenceandrail.com
Superior Fence & Rail of Cincinnati - 1	Brenda A. Hole - Pamela Knapick - Jessica Knapick		292 White Elm Drive	Delaware	OH	43015	(417) 414-7276	cincinnati@superiorfenceandrail.com
Superior Fence & Rail of Cincinnati - 2	Brenda A. Hole - Pamela Knapick - Jessica Knapick		292 White Elm Drive	Delaware	OH	43015	(417) 414-7276	cincinnati@superiorfenceandrail.com
Superior Fence & Rail of Cincinnati - 3	Brenda A. Hole - Pamela Knapick - Jessica Knapick		292 White Elm Drive	Delaware	OH	43015	(417) 414-7276	cincinnati@superiorfenceandrail.com
Superior Fence & Rail of Dayton	Brenda A. Hole - Pamela Knapick - Jessica Knapick		292 White Elm Drive	Delaware	OH	43015	(417) 414-7276	cincinnati@superiorfenceandrail.com
Superior Fence & Rail of Cleveland**/Columbus	Matt Siebert and Doug Willse		6909 Engle Road, Unit 35	Middleburgh Heights	OH	44130	(440) 465-3761	TBD cleveland@superiorfenceandrail.com
Superior Fence & Rail of Southeast PA*	Matt Stone		7704 Pine Road	Wyndmoor	PA	19038	(617) 256-3330	pennsylvania@superiorfenceandrail.com
Superior Fence & Rail of Greenville	Garrett NeSmith		17 Ketron Court	Greenville	SC	29607	(404) 441-5825	greenville@superiorfenceandrail.com
Superior Fence & Rail of Chatanooga	Garrett NeSmith		17 Ketron Court	Greenville	SC	29607	(404) 441-5825	greenville@superiorfenceandrail.com

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

Franchisees as of September 30, ~~2021~~2022

TERRITORY NAME		OWNER(S)	STREET	CITY	STATE	ZIP	PHONE	E-MAIL
Location	Owner(s)		Street Address	City	State	Zip	Phone	Email
Superior Fence & Rail of Columbia (aka Midlands/Columbia)	Larry Foster		715 Gasque Court	Lexington	SC	29072	(321) 652-1713	columbia@superiorfenceandrail.com
Superior Fence & Rail of Charleston	Patrick and Susan Monegan		1577 Banning Street	Mount Pleasant	SC	29466	(843) 225-9051	charleston@superiorfenceandrail.com
Superior Fence & Rail of Nashville	Doug Czerwonka		111 Lasalle Court	La Vergne	TN	37086	(615) 866-7689	nashville@superiorfenceandrail.com
*Knoxville - 1	Chris Eineke		1326 Waterside	Knoxville	TN	37922	(865) 803-5690	Chris.eineke@superiorfenceandrail.com
*Knoxville - 2	Chris Eineke		1326 Waterside	Knoxville	TN	37922	(865) 803-5690	Chris.eineke@superiorfenceandrail.com
Superior Fence & Rail of Central Texas (aka Austin/San Antonio) (& Todd Brouillette)	Cam Bradford, - Bobby Booth, - Mike McNeilly - Todd Brouillette		8503 Lava Hill Road	Austin	TX	78744	(512) 582-8203	austin@superiorfenceandrail.com
Superior Fence & Rail of DFW	David Bolotin and Tim Lewis		813 Eight Twenty Blvd.	Fort Worth	TX	76106	(214) 471-2336	dfw@superiorfenceandrail.com
North Houston*	Randy Gill		817 Weisinger Drive	Magnolia	TX	77354	(862) 848-0949	houston@superiorfenceandrail.com
Superior Fence & Rail of West Houston*	David Rials		4412 Koehler Street, Unit F	Houston	TX	77007	(832) 465-5754	westhouston@superiorfenceandrail.com
Superior Fence & Rail of North Texas (aka Justin)	Steve Holland		408 Topeka Avenue	Justin	TX	76247	(817) 349-2727	north-texas@superiorfenceandrail.com
*Superior Fence & Rail of Southwest Houston - 1	Frank and Stacey LaViola		28423 Blue Holly Lane	Katy	TX	77494	(346) 302-2761	Frank.LaViola@superiorfenceandrail.com
*Superior Fence & Rail of Southwest Houston - 2	Frank and Stacey LaViola		28423 Blue Holly Lane	Katy	TX	77494	(346) 302-2761	Frank.LaViola@superiorfenceandrail.com
*Superior Fence & Rail of Southwest Houston - 3	Frank and Stacey LaViola		28423 Blue Holly Lane	Katy	TX	77494	(346) 302-2761	Frank.LaViola@superiorfenceandrail.com
*Superior Fence & Rail of Southwest Houston - 4	Frank and Stacey LaViola		28423 Blue Holly Lane	Katy	TX	77494	(346) 302-2761	Frank.LaViola@superiorfenceandrail.com
Superior Fence & Rail of North Houston	Randy Gill		817 Weisinger Drive	Magnolia	TX	77354	(862) 848-0949	houston@superiorfenceandrail.com
Superior Fence & Rail of Spring, TX - 1	Simon and Noreen Kane		23 Karsten Creek Ct.	The Woodlands	TX	77389	(281) 300-9566	spring@superiorfenceandrail.com
Superior Fence & Rail of Spring, TX - 2	Simon and Noreen Kane		23 Karsten Creek Ct.	The Woodlands	TX	77389	(281) 300-9566	spring@superiorfenceandrail.com
Superior Fence & Rail of Salt Lake City - 1	Robert Clay Smith		9183 Flint Way	Park City	UT	84098	(512) 656-8721	saltlakecity@superiorfenceandrail.com
Superior Fence & Rail of Salt Lake City - 2	Robert Clay Smith		9183 Flint Way	Park City	UT	84098	(512) 656-8721	saltlakecity@superiorfenceandrail.com

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

Franchisees as of September 30, ~~2021~~2022

TERRITORY NAME		OWNER(S)	STREET	CITY	STATE	ZIP	PHONE	E-MAIL
Location	Owner(s)		Street-Address	City	State	Zip	Phone	Email
<u>Lake City - 2</u>								
<u>Superior Fence & Rail of Richmond</u>	Justin Albright, - Cole Smith, - Jonathan Dyer		3310 Deepwater Terminal Re Road	Richmond	VA	23234	(804) 316-9230	richmond@superiorfenceandrail.com
Norfolk * <u>Superior Fence & Rail of Northern Virginia</u>	Justin Albright, - Cole Smith, - Jonathan Dyer		405 East 20th Street 3310 Deepwater Terminal Road	Norfolk <u>Richmond</u>	VA	23504 <u>23234</u>	(757) 720-4717 <u>(804) 316-9230</u>	norfolk <u>richmond</u> @superiorfenceandrail.com
* <u>Superior Fence & Rail of Milwaukee - 1</u>	<u>Joshua and Amy Schmidt</u>		<u>2761 Allied Street, 1st Floor</u>	<u>Green Bay</u>	<u>WI</u>	<u>54304</u>	<u>(920) 205-1294</u>	<u>joshua.schmidt@superiorfenceandrail.com</u>
* <u>Superior Fence & Rail of Milwaukee - 2</u>	<u>Joshua and Amy Schmidt</u>		<u>2761 Allied Street, 1st Floor</u>	<u>Green Bay</u>	<u>WI</u>	<u>54304</u>	<u>(920) 205-1294</u>	<u>joshua.schmidt@superiorfenceandrail.com</u>
* <u>Superior Fence & Rail of Milwaukee - 3</u>	<u>Joshua and Amy Schmidt</u>		<u>2761 Allied Street, 1st Floor</u>	<u>Green Bay</u>	<u>WI</u>	<u>54304</u>	<u>(920) 205-1294</u>	<u>joshua.schmidt@superiorfenceandrail.com</u>
* <u>Superior Fence & Rail of Milwaukee - 4</u>	<u>Joshua and Amy Schmidt</u>		<u>2761 Allied Street, 1st Floor</u>	<u>Green Bay</u>	<u>WI</u>	<u>54304</u>	<u>(920) 205-1294</u>	<u>joshua.schmidt@superiorfenceandrail.com</u>
* <u>Superior Fence & Rail of Milwaukee - 5</u>	<u>Joshua and Amy Schmidt</u>		<u>2761 Allied Street, 1st Floor</u>	<u>Green Bay</u>	<u>WI</u>	<u>54304</u>	<u>(920) 205-1294</u>	<u>joshua.schmidt@superiorfenceandrail.com</u>

*Signed, but not open ~~as of September 30, 2021~~

**Signed after September 30, 2021

Franchisor does not have any area developers, nor does it offer or sell area development franchises.

FRANCHISEES THAT HAVE LEFT THE SYSTEM

The following franchisees left the system during the year ended September 30, ~~2021~~2022:

TERRITORY NAME	OWNER(S)	CITY	STATE	ZIP	PHONE
*Superior Fence & Rail of Birmingham	Dustin Taylor and Ralph Barden	TBD	TBD	TBD	(850) 602-6525
North Texas	Zach Peyton, Dylan Snider, and Richard Blake Branch	Justin	TX	76247	817-349-2727

*Signed, but never opened

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT D

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

LIST OF STATE AGENCIES / AGENTS FOR SERVICE OF PROCESS

**LIST OF STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau, Franchise Section	28 Liberty Street, 21 st Floor New York, NY 10005
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Ave., 6th Floor Albany, NY 12231
Virginia (State Administrator)	Virginia State Corporation Commission Division of Securities and Retail	1300 East Main Street, 9 th Floor Richmond, VA 23219-3630
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT E
SUPERIOR FENCE AND RAIL FRANCHISOR, LLC
STATE-SPECIFIC ADDENDA

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

Item 3, Additional Disclosure:

Neither we nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq. suspending or expelling such persons from membership in such association or exchange.

Item 6, Additional Disclosure:

The highest interest rate allowed by law in California is 10% annually.

Item 17, Additional Disclosures:

The franchise agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The franchise agreement requires application of the laws of the Commonwealth of Virginia. This provision may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 et seq.)

The franchise agreement requires binding arbitration. The arbitration will occur in Richmond, Virginia with the cost being borne equally by the parties. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Exhibit G, Additional Disclosure:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The Franchise Agreement requires application of the laws of the Commonwealth of Virginia. This provision may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Richmond, Virginia with the cost being borne equally by the parties. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

By: _____

Its: _____

Date: _____

By: _____

Its: _____

Date: _____

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

Exhibit G, Additional Disclosure:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

By: _____

By: _____

Its: _____
Date: _____

Its: _____
Date: _____

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

Item 17, Additional Disclosures:

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

This addendum applies to residents of the State of Maryland and franchises to be located in the State of Maryland and franchises to be operated in the State of Maryland.

Exhibit G, Additional Disclosure:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

By: _____

Its: _____

Date: _____

By: _____

Its: _____

Date: _____

MARYLAND ADDENDUM TO ~~MULTI-UNIT~~ AGGREGATE REPORTING ADDENDUM TO
FRANCHISE AGREEMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Multi-Unit Addendum to the Franchise Agreement, to the extent that the Multi-Unit Addendum contains provisions that are inconsistent with the following, such provisions are hereby amended:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

This Addendum is being entered into in connection with the Multi-Unit Addendum to the Franchise Agreement . In the event of any conflict between this Addendum and the Multi-Unit Addendum to the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

By: _____

Its: _____

Date: _____

By: _____

Its: _____

Date: _____

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

State Cover Page and Item 17, Additional Disclosures:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

Item 6, Additional Disclosure:

NSF checks are governed by Minn. Stat. 604.113, which puts a cap of \$30 on service charges.

Item 13, Additional Disclosures:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subds. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure), 180 days notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days' notice for non-renewal of this Franchise Agreement.

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the

jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee’s rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

FRANCHISEE:

By:_____
Its:_____
Date:_____

By:_____
Its:_____
Date:_____

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

Cover Page, Additional Disclosure.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Item 3, Additional Disclosure. The last sentence in Item 3 is deleted and replaced with the following:

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective

injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 4, Additional Disclosure. Item 4 is deleted and replaced with the following:

Neither we nor any of our predecessors, affiliates, or officers, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.

Item 5, Additional Disclosures.

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

Item 17, Additional Disclosures.

The following is added to the Summary sections of Item 17(c) and 17(m): To the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Section 687.4 and 687.5 be satisfied.

The Summary section of Item 17(d) is deleted and replaced with the following language: You may terminate the agreement on any grounds available by law.

The following is added to the Summary section of Item 17(j): No assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

The following is added to the Summary sections of Items 17(v) and 17(w): The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

By: _____

Its: _____

Date: _____

By: _____

Its: _____

Date: _____

RHODE ISLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 19-28.1-34 applies, the terms of this Addendum apply.

Item 17, Additional Disclosure. The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 19-28.1-34 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

By:

Its:

Date:

By:

Its:

Date:

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

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

Exhibit G, Additional Disclosure:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

By:_____

Its:_____

Date:_____

By:_____

Its:_____

Date:_____

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

Item 17, Additional Disclosure:

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The franchisor [uses/may use] the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

Exhibit G, Additional Disclosure:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT, ACKNOWLEDGMENT
AND RELATED DOCUMENTS

To the extent the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.010 – 19.100.940 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The franchisor [uses/may use] the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a

franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

FRANCHISEE:

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC

By: _____

Its: _____

Date: _____

By: _____

Its: _____

Date: _____

EXHIBIT F

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC OPERATING MANUAL TABLE OF CONTENTS

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EXHIBITS:

1. Specifics
2. Guarantee
3. Telephone Number, Internet Domain Name and E-Mail Address Assignment
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EXHIBIT G

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC ACKNOWLEDGMENT ADDENDUM

**ACKNOWLEDGMENT ADDENDUM TO
SUPERIOR FENCE & RAIL, INC.® FRANCHISE AGREEMENT*◇**

As you know, you and we are entering into a Franchise Agreement for the operation of a SUPERIOR FENCE & RAIL, INC.® franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

1. Did you receive a copy of our disclosure document (and all exhibits and attachments) at least 14 calendar days prior to signing the Franchise Agreement? Check one: ☐ Yes ☐ No. If no, please comment: _____
.
2. Have you studied and reviewed carefully our disclosure document and Franchise Agreement? Check one: ☐ Yes ☐ No. If no, please comment: _____
.
.
3. If we materially altered the provisions of the Franchise Agreement (except as a result of negotiations you initiated), did you receive a copy of the Franchise Agreement at least 7 calendar days before signing it.? Check one: ☐ No ☐ Yes. If no, please comment: _____
.
.
4. Did you understand all the information contained in both the disclosure document and Franchise Agreement? Check one ☐ Yes ☐ No. If no, please comment: _____
.
.
5. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the disclosure document? Check one: ☐ No ☐ Yes. If yes, please state in detail the oral, written or visual claim or representation: _____
.
.
6. Did any employee or other person speaking on our behalf make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any SUPERIOR FENCE & RAIL, INC.® business location or business, or the likelihood of success at your franchised business? Check one: (☐) No ☐ Yes. If yes, please state in detail the oral, written or visual claim or representation: _____
.
.

7. Did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the disclosure document or that is contrary to, or different from, the information contained in the disclosure document? Check one: ☐ Yes ☐ No. If yes, please comment: _____
8. Do you understand that the franchise granted under the Franchise Agreement is for the right to operate a business at the authorized location only and includes no area protection other than as provided in Sections 2 and 4 of the Franchise Agreement, and that we and our affiliates have the right to issue franchises outside your territory and, sell competitive products and services and operate competing businesses for or at locations, as we determine, both within and outside your territory, consistent with the terms of Sections 2 and 4 of the Franchise Agreement? Check one: ☐ Yes ☐ No. If no, please comment: _____
9. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise for the franchised business, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding? Check one: ☐ Yes ☐ No. If no, please comment: _____
10. Do you understand that the success or failure of your business will depend in large part upon your skills and experience, your business acumen, the hours you work, your location, the local market for products and services under the SUPERIOR FENCE & RAIL, INC.® service mark and other trademarks, service marks and trade names we license to you, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition, lease terms and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your business may change? Check one ☐ Yes ☐ No. If no, please comment: _____
11. Do you understand that we may eliminate your protected territory or terminate the Franchise Agreement if you fail to meet annual sales quotas? Check one ☐ Yes ☐ No. If no, please comment: _____
12. Do you understand that this franchise business may be impacted by other risks, including those outside your or our control such as economic, political or social disruption? Check one ☐ Yes ☐ No. If no, please comment: _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

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

Signed:_____

Print Name:_____

Date:_____

Signed:_____

Print Name:_____

Date:_____

Signed:_____

Print Name:_____

Date:_____

Signed:_____

Print Name:_____

Date:_____

**APPROVED ON BEHALF OF SUPERIOR FENCE AND RAIL
FRANCHISOR, LLC**

By:_____

Title:_____

Date:_____

*This statement is not intended to disclaim any representations we made in the franchise disclosure document we provided to you.

◇ All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

EXHIBIT H

**SUPERIOR FENCE AND RAIL FRANCHISOR, LLC
PROMISSORY NOTE**

PROMISSORY NOTE

\$ _____

Date: _____

FOR VALUE RECEIVED, the undersigned maker of this Note promises to pay to the order of **Superior Fence and Rail Franchisor, LLC** at 2426 Old Brick Road, Glen Allen, Virginia 23060, the principal sum of _____ Dollars (\$ _____) in the currency of the United States of America together with interest from the date of this Note at the rate of _____ percent (_____%) per annum.

1. On the _____ day of _____, 20____, and on the _____ day of each and every month thereafter, the sum of \$ _____ will be due and payable in full.

2. On the _____ day of _____, 20____, the then entire outstanding principal and interest balances owing under this Note, if not sooner paid, will be due and payable in full.

3. Any payment is late if not received by holder within 10 days after it is due. If a payment is late, holder may, in its sole discretion elect to;

A. Declare the entire unpaid principal and interest balances immediately due and payable; or

B. Accept the late payment along with a late charge in the amount of 10% of the amount of the late payment. The late charge will be for the purpose of compensating holder for additional expenses which it is recognized that holder will incur as a result of the late payment.

4. All payments, as of the date they are received, will first be credited to any late charges due; the balance, if any, will then be credited to the outstanding interest balance; and the balance, if any, will then be credited to the outstanding principal balance.

5. In the event holder elects under 3A above to demand payment in full of the entire unpaid balance, holder will first provide maker with written notice of its election, demanding payment in full within 10 days. In the event a default exists after the 10 -day notice period has expired, maker promises and agrees:

A. That the entire outstanding principal and interest balances, including late charges, will bear interest from the original due date of the delinquent payment at the rate of 18% (default rate) per year (or if this rate exceeds the maximum permitted by law, then the interest rate will be the highest rate permitted by law); and

B. To pay holders actual attorneys' fees and costs incurred in collection efforts as a result of the default.

6. In the event a default exists after the 10 -day notice period as provided above in paragraph 5, Superior Fence and Rail Franchisor, LLC may in addition elect to terminate and cancel the Franchise Agreement between Superior Fence and Rail Franchisor, LLC and maker described in paragraph 7 below in accordance with the provisions of that Agreement.

H-1

7. This Note constitutes part performance of a certain written Franchise Agreement between maker and Superior Fence and Rail Franchisor, LLC dated the _____ day of _____, 20____, and as such, will be read and interpreted in a manner consistent with the terms of said agreement. Default under the terms of this Note will be sufficient grounds for termination or cancellation of that Franchise Agreement in accordance with the terms of the Franchise Agreement.

8. The makers and endorers of this Note waive and excuse presentment for acceptance and payment, notice of dishonor, and protest of dishonor, and agree to any extension of time of payment and partial payments before, at or after maturity.

9. In the event of any sale, transfer assignment, encumbrance or other conveyance of the rights, duties or obligations of maker under the terms of the Franchise Agreement between maker and Superior Fence and Rail Franchisor, LLC, the entire unpaid principal and interest balances of this Note as of the date of such sale, transfer, assignment, encumbrance or other conveyance will immediately become due and payable in full without any further notice or demand.

Maker

Maker

Names of Maker(s): _____

Address of Maker(s): _____

Telephone Number(s) of Maker: _____

EXHIBIT I

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC GUARANTEE OF PERFORMANCE

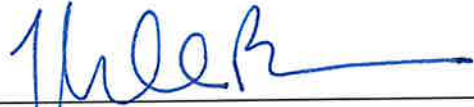
GUARANTEE OF PERFORMANCE

For value received, Outdoor Living Brands HoldCo LLC, a Delaware corporation (the "Guarantor"), located at 2426 Old Brick Road, Glen Allen Virginia 23060, absolutely and unconditionally guarantees to assume the duties and obligations of Superior Fence and Rail Franchisor, LLC located at 2426 Old Brick Road, Glen Allen, Virginia 23060 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2023 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Alpharetta, Georgia,
on the 17th day of January, 2023.

Guarantor:

OUTDOOR LIVING BRANDS HOLDCO LLC

By: 

Name: Michael Borreca

Title: Senior Vice President, CFO

(SF)

EXHIBIT J

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC
STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This 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:

State	Effective Date
California	April 4, 2022 Pending
Illinois	Pending
Indiana	Pending
Maryland	July 5, 2022 Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
Rhode Island	Pending
Virginia	April 20, 2022 Pending
Washington	Pending
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 K

SUPERIOR FENCE AND RAIL FRANCHISOR, LLC
RECEIPTS

RECEIPT
(Retain This Copy)

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Superior Fence and Rail Franchisor, LLC (“**Superior Fence & Rail**”) 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, Superior Fence & Rail or an affiliate in connection with the proposed franchise sale. Iowa and New York require that Superior Fence & Rail gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Superior Fence & Rail gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Superior Fence & Rail does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit E.

The franchisor is Superior Fence and Rail Franchisor, LLC located at 2426 Old Brick Road, Glen Allen, Virginia 23060. Its telephone number is (804) 353-6999.

Issuance Date: January ~~27~~18, ~~2022~~2023

Superior Fence & Rail’s franchise sellers involved in offering and selling the franchise to you are (cross out any individuals who are not involved in offering or selling the franchise to you): Jane Campbell, Annena Ellis, Karin Harrison, Erich Johnston, Zach Peyton, Corey Schroeder, Kelli Simpson, ~~Zach Xavier~~R. Scott Sutton Thomas Welter and Scott Zide each located at 2426 Old Brick Road, Glen Allen, Virginia 23060, (804) 353-6999; or and/or as listed below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement: _____

Superior Fence & Rail authorizes the respective state agencies identified on Exhibit E to receive service of process for us in the particular state.

I have received a disclosure document dated January ~~27~~18, ~~2022~~2023, that included the following Exhibits:

- | | |
|--|--------------------------------------|
| A Financial Statements | F Operating Manual Table of Contents |
| B Franchise Agreement | G Acknowledgement Addendum |
| C List of Franchisees and Franchisees Who Have Left the System | H Promissory Note |
| D List of State Agencies and Agents for Service | I Guarantee of Performance |
| E State-Specific Addendum | J State Effective Dates |
| | K Receipts |

_____ Date	_____ Signature	_____ Printed Name
---------------	--------------------	-----------------------

_____ Date	_____ Signature	_____ Printed Name
---------------	--------------------	-----------------------

RECEIPT
(Our Copy)

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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If Superior Fence & Rail does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit E.

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| D List of State Agencies and Agents for Service | I Guarantee of Performance |
| E State-Specific Addendum | J State Effective Dates |
| | K Receipts |

_____ Date	_____ Signature	_____ Printed Name
---------------	--------------------	-----------------------

_____ Date	_____ Signature	_____ Printed Name
---------------	--------------------	-----------------------

Please sign this copy of the receipt, date your signature, and return it to Scott Zide by email to SZide@outdoorlivingbrands.com or by fax to (804) 358-1878.